

KDE District Facilities Branch 2014 Update

Financial Aspects of 702 KAR 4:160 Construction Process

VERSION - JUNE 2014

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Branch Manager



Agenda

- ▶ 702 KAR 4:160 Capital Construction Process
Revision Effective September 6, 2013
 - General Information
 - Typical Project Workflow

- ▶ Construction Regulation Changes Relevant to Finance
 - BG-1 Project Application
 - Fee Guidelines for Basic Services (A/E & CM)
 - BG-3 Statement of Probable Cost
 - Direct Purchase Orders
 - Change Orders
 - BG-4 Contract Closeout
 - BG-5 Project Closeout



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

Regulation Revision

- ▶ In 2010 what started as a minor change to 702 KAR 4:160 Capital Construction Process to incorporate the 2009 AIA Construction Manager Documents into regulation became a three year review process resulting in a major restructuring of the regulation.
- ▶ During this time the Commissioner of Education empaneled a committee consisting of school officials (superintendents and facilities managers) and architects to review the current regulation. In addition, KDE invited other stakeholders including AIA Kentucky, contractors, construction managers, engineers, performance contractors, and others concerned with school construction in the Commonwealth.
- ▶ From these meetings, changes were directed to be made to the regulation that have now been incorporated, the revised regulation became effective September 6, 2013.



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

New American Institute of Architects (AIA) Documents – KDE Versions

- ▶ New documents have been developed with the American Institute of Architects to be specific to school construction in Kentucky.
- ▶ The documents incorporate what had previously been KDE amendments to the AIA documents into the body of the forms.
- ▶ These documents have been developed and are currently being finalized by AIA and will soon be available for distribution through AIA's Documents on Demand website. (Approx. 4 months)
- ▶ Until the new AIA documents are available, current documents are to be used.



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

Local Board Approval

- ▶ All documents requiring board approval shall be approved by the board **prior** to submission to KDE. Board orders are **not** required to be submitted. However, the local district should develop a dedicated file for each project and include a copy of the board order in that file.
- ▶ The department may request a copy of the board order at any time as needed for approvals.
- ▶ Exception – EMERGENCY BG–1 Project Applications require submission of a board order declaring the emergency.



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

KRS 45A.380

Noncompetitive negotiation.

Effective: April 9, 1980

A local public agency may contract or purchase through noncompetitive negotiation only when a **written determination** is made that competition is not feasible **and** it is further determined in writing by a designee of the local public agency that:

- ▶ (1) An emergency exists which will cause public harm as a result of the delay in competitive procedures;



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

KRS 45A.355

Determinations -- Finality.

Effective: January 1, 1980

- ▶ (1) Every determination required by this code shall be in writing and based upon written findings of the public official making the determination. These determinations and written findings shall be retained in the official contract file.
- ▶ (2) The determinations required by KRS 45A.345 to 45A.460 shall be final and conclusive unless they are clearly erroneous, arbitrary, capricious, or contrary to law.



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

45A.415

**Specifications -- Items considered equal may be furnished --
Proprietary products.**

Effective: July 15, 2008

- ▶ (1) The local public agency shall use specifications which assure the maximum practicable competition to meet the agency's needs.



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

45A.415

Specifications -- Items considered equal may be furnished -- Proprietary products.

Effective: July 15, 2008

- ▶ (2) Local public agencies shall ensure that every invitation for bids or request for proposals provides that an item equal to that named or described in the specifications may be furnished. The specifications may identify a sole brand in cases where, in the written opinion of the chief procurement officer, documented unique and valid conditions require compatibility, continuity, or conformity with established standards. An item shall be considered equal to the item named or described if, in the opinion of the owner and the design professional responsible for the specifications:
 - (a) It is at least equal in quality, durability, strength, design, and other criteria deemed appropriate;
 - (b) It will perform at least equally the function imposed by the general design for the public work being contracted for or the material being purchased; and
 - (c) It conforms substantially to the detailed requirements for the item in the specifications.



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

45A.415

**Specifications -- Items considered equal may be furnished --
Proprietary products.**

Effective: July 15, 2008

- ▶ (3) A specification which describes a product which is proprietary to one (1) company may be used only when no other kind of specification is reasonably available to describe requirements.



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

Best Practices Manual

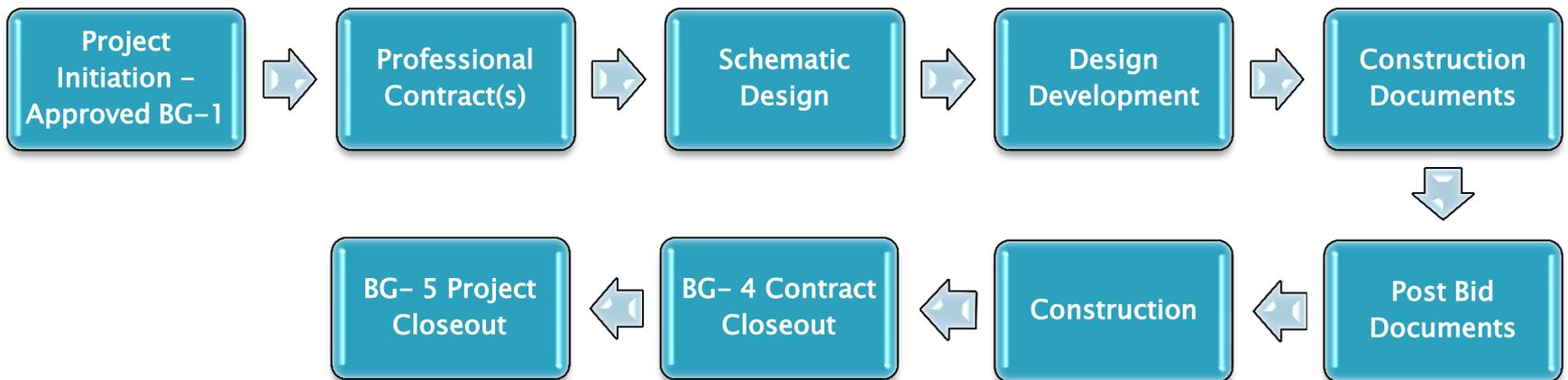
- Developed as procedures document for K–12 school construction projects. Allows KDE to update specific procedures, when needed.
- Available on [KDE Facilities Construction webpage](#)



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

Typical Project Workflow



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

BG-1 Project Application

- ▶ The BG-1 Form shall be approved by the board.
- ▶ The board shall submit a signed BG-1 Project Application Form (BG-1 Form), to the department for approval of a proposed construction project.
- ▶ An application shall be submitted for each project that is:
 - (a) Funded by Support Education Excellence in Kentucky (SEEK) capital outlay funds, Facility Support Program of Kentucky (FSPK) funds as provided by [KRS 157.620](#), School Facilities Construction Commission (SFCC) funds, or building funds as provided by [KRS 160.476](#);
 - (b) Proposing construction of a new building, addition, or alteration of an existing building that requires design by a design professional (an architect and/or engineer per [KRS 322.360](#) and [KRS 323.033](#)) for a building or building system;
 - (c) Proposing a guaranteed energy savings contract;
 - (d) Proposing a minor project; or
 - (e) Proposing a major renovation.



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

Definitions

- ▶ "Minor project" means a project for expansion of a permanent center to include a maximum of four (4) classrooms, campus enlargement, renovation of buildings and building systems with a budget of less than \$25,000, or construction of support space at permanent centers, or renovation not defined as major renovation.



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

Definitions

- ▶ "Major renovation" means a project at a permanent center including three (3) or more building systems and an estimated cost of twenty (20) percent of the current replacement cost of the building, or portion thereof, and the building or building systems shall be a minimum of thirty (30) years old or thirty (30) years shall have passed since its last major renovation with the exception of:
 - (a) The restructuring of an open space school for conventional classrooms; or
 - (b) The replacement of one (1) of the following single building systems that is within fifteen (15) years of its original installation, or if required by a change in regulation or code:
 - 1. Heating, ventilation, and air conditioning systems and controls;
 - 2. Systems to provide full use of a facility by the physically handicapped and to bring a facility into compliance with state and federal law;
 - 3. Life safety and security systems; or
 - 4. Roofing systems, flashings, and accessories.



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

KRS 322.360

Public work required to be done under professional engineer or licensed architect.

Effective: January 1, 1999

- ▶ (1) Neither the state nor any of its political subdivisions shall engage in the construction of any public work involving engineering, unless the plans, specifications, and estimates have been prepared and the construction executed under the direct supervision of a professional engineer or a licensed architect.
- ▶ (2) Subsection (1) of this section shall not apply to any public work, including a highway or capital project under KRS 56.491, that involves only maintenance or repair of the facility. Maintenance or repair shall not include any work which alters, modifies, or changes the original characteristics of the design.



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

KRS 323.033

Buildings requiring services of licensed architect.

Effective: July 15, 2008

- ▶ (1) Except as otherwise provided in this section, the following buildings, or additions to existing buildings, classified by use group shall require the services of an architect licensed in the Commonwealth of Kentucky;
 - (a) Assembly use group having a capacity of one hundred (100) persons or more, except church buildings having a capacity of four hundred (400) persons or less or six thousand (6,000) square feet or less;
 - (b) Business use group having a capacity of one hundred (100) persons or more;
 - (c) Institutional use group, regardless of capacity;
 - (d) Mercantile use group having a capacity of one hundred (100) persons or more;
 - (e) Residential use group of more than twelve (12) dwelling units or having a capacity of fifty (50) persons or more;
 - **(f) Educational use groups regardless of capacity; and**
 - (g) Mixed use group containing one (1) or more of the use group classifications and capacities listed under paragraphs (a) through (f) of this subsection.



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

KRS 323.033

Buildings requiring services of licensed architect.

Effective: July 15, 2008

- ▶ (2) Alterations or new construction requiring compliance with the Kentucky Building Code for any building containing one (1) or more of the use group classifications and capacities listed under subsection (1) of this section shall require the services of an architect licensed in the Commonwealth of Kentucky; except that, when such alterations or new construction predominantly involve primarily structural components or mechanical or electrical systems, services may be performed by one (1) or more licensed professional engineers.



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

KRS 323.033

Buildings requiring services of licensed architect.

Effective: July 15, 2008

- ▶ (5) Neither the state nor any of its political subdivisions shall engage in the construction of any public work involving the practice of architecture or engineering unless the plans, specifications, and estimates have been prepared and the administration of construction contracts executed under the direct supervision of a licensed architect or a professional engineer. This subsection shall not apply to:
 - (a) Any public work, including a building or capital project under KRS 56.491, that involves only maintenance or repair of the facility. Maintenance or repair shall not include any work which alters, modifies, or changes the original characteristics of the design; or
 - (b) Any residential dwelling that falls under the Kentucky Residential Code.



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

BG-1 Project Application – Continued

- ▶ If an emergency occurs, impacting an activity for which a BG-1 Form is required:
 - The superintendent shall:
 - 1. Proceed with corrective actions, as needed;
 - 2. Notify the department of the emergency and request approval to continue with the plans and corrective action;
 - 3. Advise the board to declare an emergency in accordance with the district's officially adopted procurement method under KRS 424.260 or 45A.380 [and 45A.355]; and
 - 4. Submit to the department:
 - a. BG-1 Form; and
 - b. The board order declaring the emergency



Form: BG-1 Project Application – Page 1

KENTUCKY DEPARTMENT OF EDUCATION
702 KAR 4:180

BG-1
PROJECT APPLICATION FORM

PROJECT IDENTIFICATION Initial: _____ Revised: _____ Emergency: _____

District Name: _____ District Code: _____ Facility Name: _____ School Code: _____

Grade Level Served: _____ Current Student Capacity: _____ District Facilities Plan Date: _____

Project Name: _____ Building ID Number: _____

Project Site Physical Address: _____ Street _____ City _____

Construction Delivery Method: General Contractor Construction Mgr. Guaranteed Energy Savings Contract

District's Procurement Standard: Model Procurement (KRS 45A) Bid Law (KRS 424.260)

1. DESCRIPTION AND SCOPE OF PROPOSED PROJECT

A. Check and complete the applicable items:

- 1. New Building
- 2. Addition
- 3. Major Renovation (Describe) _____
- 4. New Relocatable Classroom Number _____ Size _____
- 5. Equipment/Furnishings Procurement (Describe) _____
- 6. Minor Project (Describe) _____
- 7. Site (Complete the Following)
 - a. New Site Acquisition _____ Expansion _____ Number of Acres _____
 - b. A site has been acquired in accordance with 702 KAR 4:050 requirements. _____
 - c. Location _____
 - d. Proposed site currently owned by District Yes No If no, list site owner: _____

B. Compliance with 702 KAR 4:180 and 702 KAR 4:180

This application is being submitted for (refer to current District Facility Plan):

- 1. Priority Category: _____
- 2. Discretionary Item Number: _____
- 3. Minor project not listed on Facility Plan: _____

C. Provide a complete narrative of the proposed project.

D. Proposed work related to the project but excluded from the scope of this BG1: _____



Form: BG-1 Project Application – Page 2

KENTUCKY DEPARTMENT OF EDUCATION
702 KAR 4:160

BG-1
PROJECT APPLICATION FORM

SCHOOL DISTRICT: _____ Initial: ___ Revised: _____ BG# _____

PROJECT NAME: _____

II. PROPOSED PLAN TO FINANCE APPLICATION

A. Statement of Probable Costs:

- 1. Total Construction Cost _____
 - 2. Architect/Engineer Fee _____
 - 3. Construction Manager Fee _____
 - 4. Bond Discount _____
 - 5. Fiscal Agent Fee _____
 - 6. Construction Contingencies _____
 - 7. Site Acquisition _____
 - 8. Equipment/Furnishings _____
 - 9. Equipment/Computers _____
 - 10. Technology Network Sys. (KETS) _____
 - 11. Other* _____
 - 12. Other* _____
 - 13. Other* _____
 - 14. Other* _____
- Total Project Cost _____ \$0.00

B. Funds Available:

- 1. SFCC Cash Req. _____
 - 2. SFCC Bond Req. _____
 - 3. SFCC Bond Sale _____
 - 4. Local FSPK Bond Sale _____
 - 5. Local Gen. Fund Bond Sale _____
 - 6. Cash - General Fund _____
 - 7. Cash - Capital Outlay _____
 - 8. Cash - Building Fund _____
 - 9. Cash - Inv. Earnings _____
 - 10. KETS _____
 - 11. KYTC Reimbursement _____
 - 12. Other* _____
 - 13. Other* _____
 - 14. Other* _____
- Total Funds Available _____ \$0.00

*Define

*Define

THE ABOVE INFORMATION IS A STATEMENT OF PROBABLE COST AND FUNDS AVAILABLE AND IS REQUIRED TO BE REVISED TO CORRESPOND TO ACTUAL BIDS RECEIVED PRIOR TO THE SIGNING OF CONSTRUCTION CONTRACTS.

TO BE COMPLETED ON INITIAL & REVISED APPLICATION: The signing of this financial document certifies the above stated funds are available and designated for this project during this fiscal year.

_____ Superintendent _____ Date

_____ Finance Officer _____ Date

_____ Chairman _____ Date

NOTE: Any district anticipating the financing of this and/or other projects in a combined school revenue Bond should discuss the financing with the Director/Branch Manager, KDE - District Financial Management.

TO BE COMPLETED ON INITIAL APPLICATION:
This building project application is approved by the KDE - District Facilities Branch indicating compliance with current District Facility Plan or minor project under 702 KAR 4:180.

Comments: _____

Branch Manager, KDE - District Facilities Branch _____ Date _____

TO BE COMPLETED ON INITIAL & REVISED APPLICATION:
Tentative financial approval based upon information provided to this office in support of projected cost.

Comments: _____

KDE - District Financial Management _____

Date: _____

TO BE COMPLETED ON INITIAL APPLICATION:
This building project application is hereby approved according to the conditions outlined in the application. Proceed in accordance with the attached submittal checklist.

Comments: _____

KDE - District Support _____

Date: _____



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

Form: BG-1 Project Application

Regulation Revision Changes

- ▶ Added:
 - Project Name and Site Address
 - Construction Delivery Method
 - District's Procurement Standard
 - Fund Sources: Local FSPK Bond Sale, General Fund Bond Sale, KYTC Reimbursement

- ▶ Removed:
 - Page 2 – Program Space Square Footage
 - Board order attachment (district to maintain in project file)



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

Do Not Submit Incomplete BG-1 Project Applications

- ▶ Total Project Cost = Total Project Funds
- ▶ All District Signatures Required
- ▶ Project Cost
 - Construction Contingencies minimum 5% Total Construction Cost
- ▶ Project Funds
 - If SFCC fund, SFCC approval shall be required.
 - If other fund type = Residual Fund, then BG# shall be provided and that BG# shall be closed out (BG-4 and BG-5). The residual funds are considered to be under the same restriction as the most restrictive fund source of the closed out BG#.
 - If other fund type, such as Booster Club, then an External Partnership Agreement shall be submitted with the BG-1. This agreement is available on KDE Facilities Construction webpage.
 - DFP priority information is required.



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

When a Revised BG-1 is needed:

Note Reason for Revision

- ▶ Update Project Costs
 - During Design – updated estimate and/or scope of work change
 - Reconcile Project Costs with accepted bid or proposed contract
 - If Bond Sale is pending, need at least 10 business days prior to bond sale
 - Conform to the proposed contract and financing (GESC)
 - Other costs
 - During Construction – increase construction contingency
 - During Project Closeout – if costs exceed Current BG-1
- ▶ Update Project Funds
 - Project Costs changed
 - Fund Source changed



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

Capital Construction Process

Starts with submission of a BG-1

- Must review DFP
- Must understand financing
- ▶ A BG-1 is needed to use restricted capital funds:
 - Capital Outlay
 - Building fund (FSPK, Growth Nickel)
 - SFCC or Escrow
- ▶ A BG-1 is needed to pay for Site Acquisition
 - Regardless of fund source
- ▶ A BG-1 is needed when Building systems or components of systems are replaced which require building code review (regardless of fund source), as determined by the Department of Education and the Department of Housing, Building and Construction. ([KRS 162.060](#), [KRS 322.360](#), [KRS 323.033](#))
 - Maintenance and repair projects “shall not alter, modify or change the original building characteristics of the design.



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

Funding Overview for School Construction

- ▶ Funds available for the construction of schools in the Commonwealth are divided into two categories; unrestricted funds and restricted funds.
- ▶ Unrestricted funds include; general fund monies that are determined by the “SEEK” funding program. These funds are used for staff and teacher salaries, transportation, maintenance, athletics and other school programs. The district can only use a portion of general fund money for school construction.
- ▶ Restricted funds are those monies that can only be used for school “capital construction” or “major renovation” construction and for no other purpose.



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

School Funding (cont.)

- ▶ Capital construction – additions that are justified by comparison of the existing building with regulatory requirements or new facilities to replace old ones or to accommodate growth.
- ▶ Major Renovation – (as defined by [702 KAR 4:160](#))
- ▶ All of these funding sources need to be considered during the District Facilities Planning process. The Chief State School Officer through the Kentucky Department of Education must approve funding on all projects.
- ▶ Restricted Funds fall into three (3) categories;
 - 1) Student Population Based Funding,
 - 2) Property Assessment Based Funding and
 - 3) Qualified Need Based Funding



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

School Funding (cont.)

Student Population Based Funding

- ▶ Capital Outlay Funds
- ▶ Capital Outlay Funds are included in the “SEEK” formula. These are calculated at one hundred dollars multiplied by a district’s Average Daily Attendance. These monies can be used for direct construction costs. Since these funds are yearly-generated funds, they can be used to pay for direct debt on bonds that can be issued on the behalf of local school districts (80% of the total funds calculated can be used for debt service).
- ▶ These funds generally can only be used on priority projects and can be selected by the Local Education Agency (LEA) in any order desired, subject to the approval of the KDE. (“LEA” is defined 702 KAR 4:180 Kentucky School Facilities Planning Manual)
 - In the 2004 Session of the General Assembly, HB 237 regulated that these funds could be used for payment of property insurance and maintenance projects, subject to the approval of the Commissioner of Education.



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

School Funding (cont.)

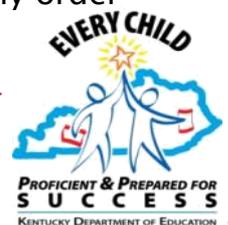
Property Assessment Based Funding – Facilities Support Program of Kentucky (FSPK)
These funds have two components; local and State

FSPK Local Building Funds

- ▶ Five cents of every one hundred dollars (\$100) of a district's property tax revenues are granted to the local school district to pay for capital construction projects. This money may be saved and used directly or, since it is a yearly-generated sum, it can be used to pay the debt on bonds that can be issued on the behalf of local school districts. This is sometimes called the "local nickel".
- ▶ These funds can only be used on priority projects and can be selected by the LEA in any order desired, subject to the approval of the KDE.

FSPK State Building Funds

- ▶ In recognition of the fact that the property tax base of each district varies, the General Assembly provides funding to "equalize" the local funding effort. These additional funds are determined by comparing the average district per student (ADA) property tax revenue with the average State per student (ADA) property tax revenue. Those districts which have a per student property tax revenue which is below the state average are granted additional monies to help level the playing field. The monies are "roughly" calculated at 150% of the difference.
- ▶ These funds can only be used on priority projects (DFP) and can be selected by the LEA in any order desired, subject to the approval of the KDE.



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

School Funding (cont.) Property Assessment Based Funding

- ▶ Growth District Local Funds
- ▶ In addition to the “local nickel”, certain districts, which met established criteria in assessments and Average Daily Attendance, are allowed to increase their local taxing effort by five cents per one hundred dollars (\$100) to pay for capital construction projects. This money may be saved and used directly or, since it is a yearly-generated sum, it can be used to pay the debt on bonds that can be issued on the behalf of local school districts. This is sometimes called the “growth nickel”.
- ▶ These funds can only be used on priority projects that relate to the needs established because of district student growth and can be selected by the LEA in any order desired, subject to the approval of the KDE.



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

School Funding (cont.)

Qualified Need Based Funding

- ▶ Kentucky School Facilities Construction Commission Funds (KSFCC)
- ▶ The Kentucky School Facilities Construction Commission (KSFCC) is a separate state agency that provides funding to districts based on the unmet facility need as identified in the District Facilities Planning process. Funding for this program is requested from the General Assembly by the Commission every two (2) years. The district “need” is calculated during the District Facilities Planning process. The “unmet need” is determined by subtracting local available revenue from the district “need”. The “unmet need” of all of the districts in the State is combined to create the State unmet need. A portion of the total is funded by the General Assembly and each district is allocated money based on their percentage share of the total fund.
- ▶ These funds can only be used on priority projects, based on their priority order; for example, priority 1 projects shall be completed prior to priority 2 projects. All projects within a numbered category (i.e., 1a through 1d) are considered equivalent and can be selected by the LEA in any order desired, subject to the approval of the KDE.



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

School Funding (cont.)

Qualified Need Based Funding

▶ Urgent- Needs Grants

In the 2003 Legislative Session, the General Assembly voted to provide Urgent-Needs Grants to about 20 school districts to replace schools that were listed as “category 5” (very poor condition, had not had significant renovation in the building’s life, had a student population that exceeded KSFCC minimum requirements and were in districts that could not reasonably afford to replace the schools. These monies were granted to the districts for bonding to replace the “category 5” buildings with new schools. These funds can only be used on specific projects identified by the State Legislature for the use of these funds, subject to the approval of the KDE.

- ▶ Since 2003 only about 45 or the 1,900 projects that have been undertaken have used Urgent Needs funding.



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Effective: September 6, 2013

District Facility Plan (DFP) Priority

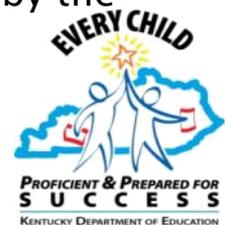
B. Compliance with 702 KAR 4:180 and 702 KAR 4:160

This application is being submitted for (refer to current District Facility Plan):

1. Priority Category: _____
2. Discretionary Item Number: _____
3. Minor project not listed on Facility Plan: _____

702 KAR 4:160

- ▶ (3)(a) If SFCC funds are included in the financing plan, projects shall be selected in prioritized order from the District Facility Plan created pursuant to 702 KAR 4:180.
- ▶ (b) If restricted funds other than SFCC are included in the financing plan, the board may select any project in any priority used to determine district need. *(i.e. DFP Priority 1 - 4)*
- ▶ (c) Projects not used to determine district need shall only be funded as defined by the General Assembly.



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

District Facility Plan (DFP) – SAMPLE

KBE APPROVAL DATE: OCTOBER 2014 (DRAFT SAMPLE DOCUMENT)
ABC SCHOOLS DISTRICT FACILITIES PLAN

PLAN OF SCHOOL ORGANIZATION

1. Current Plan PS, K-3, 4-5, 6-8, 9-12
2. Long Range Plan PS-6, 7-8, 9-12

SCHOOL CENTERS		Status	Organization	<u>Student Enrollment Capacity</u>
1.	Secondary			
	a. XYZ High School	Permanent	9-12 Center	723/750
2.	Middle			
	a. XYZ County Middle School	Permanent	6-8 Center	348/400
	b. ABC Middle School	Permanent	6-8 Center	440/500
3.	Elementary			
	a. XYZ County Elementary School	Permanent	PS-5 Center	345/400
	b. ABC Elementary School	Permanent	PS-5 Center	345/400
	c. DEF Elementary School	Permanent	PS-5 Center	345/400



702 KAR 4:160. Capital Construction Process

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District Facility Plan (DFP) (cont.)

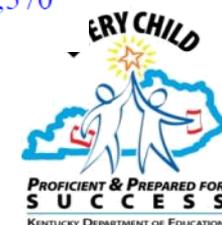
CAPITAL CONSTRUCTION PRIORITIES (Schedule within the 2014-2016 Biennium)

1a. New construction to meet student capacity; further implementation of established programs; or complete approved projects constructed in phases.

		Eff. %	Cost Est.
1.	New Elementary School 600 Student capacity on a new site to be determined	65,736 sf.	\$14,442,199
2.	New Middle School 600 Student capacity on a new site to be determined	83,690 sf.	\$18,821,881
3.	New High School 750 Student capacity on a new site to be determined	108,221 sf.	\$25,745,776

1b. New construction to replace inadequate spaces; expand existing or new buildings for educational purposes; consolidate schools; or replace deteriorated facilities.

		Eff. %	Cost Est.
1.	XYZ County Middle School	65,873 sf.	
	Construct: 6 Standard Classrooms sf.	4,500 sf. #	\$1,425,423
	2 Spec. Educ. Res. sf.	750 sf. #	\$237,570



702 KAR 4:160. Capital Construction Process

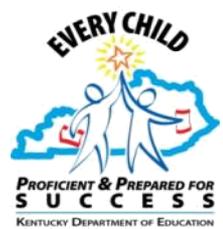
Effective: September 6, 2013

District Facility Plan (DFP) (cont.)

CAPITAL CONSTRUCTION PRIORITIES (Schedule within the 2014-2016 Biennium)

1c. Major renovation/additions of educational facilities; including expansions, kitchens, cafeterias, libraries, administrative areas, auditoriums, and gymnasiums. Eff. % Cost Est.

1.	XYZ County High School	108,221 sf.												
	<p style="color: red;">Major Renovation of buildings, or portions of buildings, older than 30 years that have not been renovated in that time to include; site development, parking, roof replacement, doors, hardware and windows, interior finishes and accessories, casework, signage, HVAC replacement, electrical/lighting/service upgrade, plumbing upgrades including fixtures, life safety systems to include; fire protection and annunciation systems, ADA accessibility and security upgrades.</p> <p style="color: red;">Major Renovation of building, or portions of buildings, less than 30 years but older than 15 years that have not been renovated in that time to include; roof replacement, HVAC replacement, life safety systems to include; fire protection and annunciation systems, ADA accessibility and security upgrades.</p> <p style="color: blue;">fire protection and annunciation systems, ADA accessibility and security upgrades.</p>	<p style="color: red;">Renovation costs to be provided by the Architect</p> <p style="color: red;">Renovation costs to be provided by the Architect</p> <p style="color: red;">Renov. costs by Architect</p>												
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">Construct:</td> <td style="width: 10%;">6</td> <td style="width: 30%;">Standard Classrooms</td> <td style="width: 10%;">sf.</td> <td style="width: 15%; text-align: right;">4,500 sf. #</td> <td style="width: 20%; text-align: right;">\$1,574,338</td> </tr> <tr> <td></td> <td>2</td> <td>Spec. Educ. Res.</td> <td>sf.</td> <td style="text-align: right;">750 sf. #</td> <td style="text-align: right;">\$262,390</td> </tr> </table>	Construct:	6	Standard Classrooms	sf.	4,500 sf. #	\$1,574,338		2	Spec. Educ. Res.	sf.	750 sf. #	\$262,390	
Construct:	6	Standard Classrooms	sf.	4,500 sf. #	\$1,574,338									
	2	Spec. Educ. Res.	sf.	750 sf. #	\$262,390									



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

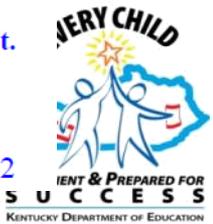
District Facility Plan (DFP) (cont.)

CAPITAL CONSTRUCTION PRIORITIES (Schedule after the 2016 Biennium)

2a. New construction to meet student capacity; further implementation of established programs; or complete approved projects constructed in phases.		Eff. %	Cost Est.
1.	New Middle School 600 Student capacity on a new site to be determined	83,690 sf.	\$18,821,881
2.	New High School	108,221 sf.	

CAPITAL CONSTRUCTION PRIORITIES (Regardless of Schedule)

3. Construction of non-educational additions or expansions including: kitchen, cafeterias, administrative areas, auditoriums and gymnasiums.		Eff. %	Cost Est.
1.	XYZ County High School	108,221 sf.	
	Construct: 1 Kitchen sf.	2,200 sf. #	\$769,676
	1 Auditorium (350 seat) sf.	3,500 sf. #	\$1,224,485
4. Management support areas; Construct, acquisition, or renovation of central offices, bus garages, or central stores		Eff. %	Cost Est.
1.	Central Office		
	Construct: Construct a new central office facility.	10,000 sf. #	\$3,021,622



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

▶ District Facility Plan (DFP) (cont.)

DISTRICT NEED	\$292,390,421
----------------------	----------------------

5. Discretionary Construction Projects; Functional Centers; Improvements by new construction or renovation.

Estimated Costs of these projects will not be included in the FACILITY NEEDS ASSESSMENT TOTAL. Eff. % Cost Est.

1.	ABC County High School	123,825 sf.	
	Construct: 1 Set of Locker Rooms sf.	4,900 sf. #	\$1,714,279
		Provide Baseball Field Lighting	\$150,000
		Multi-Purpose Gymnasium	\$930,000
2.	DFG Elementary School		
	Construct: Construct High School football and soccer stadium		\$1,450,000

▶ DFP priority 5 is not included in district need.

▶ Unmet need is calculated during the District Facilities Planning process. The “unmet need” of all of the districts in the State is combined to create the State unmet need. A portion of the total is funded by the General Assembly and each district is allocated money based on their percentage share of the total fund.

These funds can only be used on priority projects, based on their priority order; for example, priority 1 projects shall be completed prior to priority 2 projects. All projects within a numbered category (i.e., 1a through 1d) are considered equivalent and can be selected by the LEA in any order desired, subject to the approval of the KDE.



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

Fee Guidelines

Regulation Revision Changes

- ▶ Form: A/E Fee Guidelines
 - Added: Ranges for larger projects, up to \$60M (was \$11M)

- ▶ Form: CM Fee Guidelines
 - Added: Ranges for larger projects, up to \$60M (was \$10M)
 - Removed: Range for projects starting at \$1M– \$2M
 - Reworded to condense ranges, retaining higher percentages



AE Fee Guidelines for Basic Services

KENTUCKY DEPARTMENT OF EDUCATION
702 KAR 4:180

ARCHITECT/ENGINEER
FEE GUIDELINES FOR BASIC SERVICES

<u>Cost of Construction</u>	<u>Fee</u>
Up to \$25,000	15.50%
\$25,000 to \$50,000	13.40%
\$50,000 to \$75,000	12.30%
\$75,000 to \$100,000	11.30%
\$100,000 and under \$200,000	9.80%
\$200,000 and under \$300,000	8.70%
\$300,000 and under \$400,000	8.40%
\$400,000 and under \$500,000	8.00%
\$500,000 and under \$600,000	7.70%
\$600,000 and under \$700,000	7.50%
\$700,000 and under \$800,000	7.40%
\$800,000 and under \$900,000	7.30%
\$900,000 and under \$1,000,000	7.00%
\$1,000,000 and under \$1,250,000	6.90%
\$1,250,000 and under \$1,500,000	6.80%
\$1,500,000 and under \$1,750,000	6.70%
\$1,750,000 and under \$2,000,000	6.60%
\$2,000,000 and under \$2,250,000	6.50%
\$2,250,000 and under \$2,500,000	6.30%
\$2,500,000 and under \$2,750,000	6.10%
\$2,750,000 and under \$3,000,000	6.00%
\$3,000,000 and under \$4,000,000	5.80%
\$4,000,000 and under \$5,000,000	5.70%
\$5,000,000 and under \$7,500,000	5.65%
\$7,500,000 and under \$10,000,000	5.60%
\$10,000,000 and under \$15,000,000	5.50%
\$15,000,000 and under \$20,000,000	5.45%
\$20,000,000 and under \$25,000,000	5.40%
\$25,000,000 and under \$30,000,000	5.35%
\$30,000,000 and under \$35,000,000	5.30%
\$35,000,000 and under \$40,000,000	5.25%
\$40,000,000 and under \$45,000,000	5.20%
\$45,000,000 and under \$50,000,000	5.15%
\$50,000,000 and under \$55,000,000	5.10%
\$55,000,000 and under \$60,000,000	5.05%
\$60,000,000 and over	5.00%

Renovation: 1.25 x Fee Percentage (applicable to renovation only)

Repetitive Design: .75 x Fee Percentage



CM Fee Guidelines for Basic Services

KENTUCKY DEPARTMENT OF EDUCATION
702 KAR 4:180

CONSTRUCTION MANAGER
FEE GUIDELINES

<u>Cost of Construction</u>	<u>CM as Advisor Base Fee (No Monthly)</u>
\$2,000,000 and under \$3,000,000	5.20%
\$3,000,000 and under \$4,000,000	4.50%
\$4,000,000 and under \$5,000,000	3.90%
\$5,000,000 and under \$6,000,000	3.60%
\$6,000,000 and under \$7,000,000	3.30%
\$7,000,000 and under \$8,000,000	2.75%
\$8,000,000 and under \$9,000,000	2.40%
\$9,000,000 and under \$10,000,000	2.10%
\$10,000,000 and under \$15,000,000	2.00%
\$15,000,000 and under \$20,000,000	1.95%
\$20,000,000 and under \$25,000,000	1.90%
\$25,000,000 and under \$30,000,000	1.88%
\$30,000,000 and under \$35,000,000	1.85%
\$35,000,000 and under \$40,000,000	1.80%
\$40,000,000 and under \$45,000,000	1.78%
\$45,000,000 and under \$50,000,000	1.76%
\$50,000,000 and under \$55,000,000	1.74%
\$55,000,000 and under \$60,000,000	1.72%
Over \$60,000,000	1.70%

Where Construction Management as Constructor is utilized, the Base Fee, noted above, may be increased by up to 1.50% to accommodate the additional costs of providing Performance Payment Bonds and Insurance for the entire project instead of only for the amount of the CM fee as is the requirement for CM as Advisor. This adjusted cost must be substantiated by the CM at when the terms of the contract are negotiated.

On-Site Expenses:

Supervision, Payroll Taxes, Fringe Benefits, Out-of-Town Expense (Superintendent), Mobilization-Demobilization, Automobile or Truck (Superintendent), Automobile or Truck Expense (Depreciation, Gas, Oil Tires, Maintenance), Office Trailer, Office Furniture, Office Supplies, Telephone, Fax Machine, Computer

Monthly On-Site Service Fee:

\$2,000,000 to \$5,000,000	\$10,000 per month
\$5,000,000 to \$10,000,000	\$11,000 per month
\$10,000,000 to \$15,000,000	\$12,000 per month
\$15,000,000 to \$20,000,000	\$12,750 per month
\$20,000,000 to \$25,000,000	\$13,000 per month
\$25,000,000 to \$30,000,000	\$13,250 per month
\$30,000,000 to \$35,000,000	\$13,500 per month
\$35,000,000 to \$40,000,000	\$13,650 per month
\$40,000,000 to \$50,000,000	\$13,750 per month
\$50,000,000 to \$60,000,000	\$13,850 per month
Over \$60,000,000	\$14,000 per month



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

Form: BG-3 Statement of Probable Cost

Submitted at Design Development Documents Phase

- If the BG-3 Form total project cost exceeds the BG-1 Form total project cost, the board shall approve an increase in the budget or a decrease in the physical scope of the project

▶ Submitted at Construction Documents Phase

- Compliance with the requirement that BG-3 Form total project cost be less than or equal to 110 percent of the approved BG-1 Form total project cost

Regulation Revision Changes

- ▶ Added: Board of Education Designee Signature
- ▶ Removed: Board order attachment (district to maintain in project file)



Form: BG-3 Statement of Probable Cost

KENTUCKY DEPARTMENT OF EDUCATION **BG-3**
 702 KAR 4:190 **STATEMENT OF PROBABLE COST**

District Name: _____ District Code: _____ Facility Name: _____ School Code: _____

Project Name: _____

Project Phase: Design Development: Construction Documents:

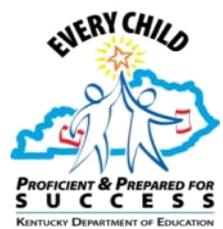
1. Site Development	\$	
2. General Construction	\$	
3. Heating, Ventilation & Air Conditioning	\$	
4. Plumbing (Include Sprinkler System)	\$	
5. Electrical Work	\$	
6. Sewage Disposal System	\$	
7. Total Construction Cost (1-6)	\$	-
8. Site Acquisition Cost (Purchase Price)	\$	
9. Legal Services	\$	
10. Fiscal Agent Fee	\$	
11. Bond Discount	\$	
12. Architect/Engineer Fee	\$	
13. Construction/Manager Fee (If Applicable)	\$	
14. Equipment/Furnishings (Not Fixed)/Computers	\$	
15. Property & Topographic Survey	\$	
16. Geotechnical Survey & Report	\$	
17. Special Inspections	\$	
18. Asbestos Abatement	\$	
19. Commissioning Fee	\$	
20. Plan Review Fee	\$	
21. Printing & Distribution of Bid Docs	\$	
22. Contingencies - Minimum 5% of Line 7	\$	
23. Other Cost (Describe)	\$	
24. Total Other Cost (8-23)	\$	-
25. TOTAL PROJECT COST (line 7 + line 24)	\$	-
a. Gross Square Foot Area*		
b. Total Cost Per Square Foot		na
c. Total Cost Per Pupil	\$	
d. Gross Sq. Ft. Area of Alternates * Base Bid Area Only		

Kentucky Registered Architect/Engineer: _____ Date: _____

Construction Manager: _____ Date: _____

Board of Education Designee: _____ Date: _____

BG-3 Form - 2013 Page 1 of 1 BG# _____



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

Form: KDE Purchase Order

KENTUCKY DEPARTMENT OF EDUCATION
702 KAR 4:160

PURCHASE ORDER

Board of Education: _____

BG# _____

District PO Number: _____

(THIS PURCHASE ORDER NUMBER MUST APPEAR ON ALL PACKAGES,
INVOICES AND SHIPPING PAPERS)

Project Name: _____ ly by

the Owner with a Purchase Order to be issued by the Owner to the individual suppliers. (Sales Tax Exemption)

▶ KDE Form of Proposal Limitations

- The value of the direct Purchase Order cannot be less than \$5,000.
- Maximum of 50 POs will be acceptable with each contract.



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

Form: Purchase Orders

Regulation Revision Changes

- ▶ Removed the submission of unexecuted DPOs with accepted bid or proposed contract.
- ▶ Executed DPOs with the Executed Owner / Contractor Agreement.
- ▶ Added:
 - Purchase Order Summary shall be submitted with each proposed contract (instead of each individual DPO) during Post-Bid Documents, if DPOs are utilized.
 - Specification Section
 - Vendor Phone and Email
 - Bill To Information
 - Contact Information for Delivery to Jobsite
 - Purchase Order Terms & Conditions



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

Form: KDE Purchase Order Summary

- ▶ New form that provides list of all Owner Direct Purchase Orders (DPOs) for each construction contract

Kentucky Department of Education
702 KAR 4:160

Purchase Order Summary Form

BG# _____	Date Submitted _____	Delivery Method		PO Certification Statement Phase	
District Code _____	District Name _____	<input type="checkbox"/> GC	<input type="checkbox"/> GEBC	<input type="checkbox"/> Initial Statement	<input type="checkbox"/> Final Statement
School Code _____	Facility Name _____	<input type="checkbox"/> CM		<input type="checkbox"/> Change Order Stmt.	

Contractor Name	PO Number	Bid. Pack. #	Specification Section No.	Purchase Order Description	Vendor Name	Initial PO Amount	Change Order Amount To Date	Reason For Change	Final PO Amount
									-
									-
									-

- ▶ Submit KDE Purchase Order Summary with
 - Proposed Owner / Contractor Agreement at Post-Bid Documents
 - BG-4 to Closeout a Construction Contract



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

Form: Change Order Supplemental Info

- ▶ Board-approved change orders less than \$25,000 per change event and within the construction contingency amount shall be submitted to the department, but do not require KDE approval prior to execution.
- ▶ Board-approved change orders which equal or exceed \$25,000 per change event and within the construction contingency amount shall be submitted, prior to execution, to the department for review and approval.

Regulation Revision Changes

- ▶ Added:
 - Cost tracking table, including contingency balance
 - Cost breakdown table for labor, materials, profit, overhead
 - Signatures of District Finance Officer, Architect, & CM
- ▶ Reworded: Cost breakdown detail to be included for Change Orders => \$25K (previously was for all Change Orders)



Form: Change Order Supplemental Info

KENTUCKY DEPARTMENT OF EDUCATION
702 KAR 4:160

CHANGE ORDER SUPPLEMENTAL
INFORMATION FORM

BG #: _____ Change Order No.: _____

District: _____ District Code: _____ Facility Name: _____ School Code: _____

Project: _____ Time Extension Required: Yes No If yes, by _____ day(s)

Date of Change Order: _____ Change Order Amount: Increase Decrease Unchanged

Contractor / Vendor Name: _____ Bid Package No.: _____

1. This Requested Change Order Amount + / -	\$	
2. Remaining Construction Contingency Balance: (including line 1 above)	\$	

3. Change in A/E Fee for this Change Order +/-	\$	
4. Change in CM Fee for this Change Order +/-	\$	

Note: Change Orders equal to or greater than \$25,000 shall be submitted to KDE with detail cost breakdown.
Attach additional pages if necessary.

Contract change requested by: Local Board of Education General Contractor Architect/Engineer
 Construction Manager Code Enforcement Official Other: _____

Contract change reason code: Reduction of Scope Expansion of Scope Improved Plans/Specs
 Found Condition Code Compliance Other: _____

Change Order Description and Justification:	Cost Benefit to Owner:

Have contract unit prices been utilized to support the cost associated with this change order?
 Yes No If no, provide a detailed cost breakdown which separates labor, material, profit and overhead.

Cost Breakdown:

Total Change Order Amt.:	Labor	Materials	Profit & Overhead*	Bond & Insurance
\$	\$	\$	\$	\$
% of Total Change Order Amt.:	%	%	%	%

*Profit & Overhead shall not exceed 15% of net cost of change order

Is the cost for this change order supported by an alternate bid or competitive price quote(s)?
 Yes No If no, explain why _____

Board of Education Designee's Signature _____ Date _____ Architect's Signature _____ Date _____

Finance Officer's Signature _____ Date _____ Construction Manager's Signature _____ Date _____



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

Form: BG-4 Contract Closeout

- ▶ Upon completion of the construction contract, including all change orders, each contract must be closed out by a BG-4 Contract Closeout Form.
 - Final payment to the Contractor is **not** contingent upon KDE approval. If the work has been completed and accepted by the Owner, then final payment should be made in accordance with KRS 371.410.
- ▶ The applicable design professional, CM, or qualified provider shall furnish the board a completed BG-4 Form and record documents, with applicable information requesting approval of:
 - (a) Each contract, including change orders; and
 - (b) A reconciliation of the summary of all purchase orders, if utilized, including change orders, for each contract.



Form: BG-4 Contract Closeout

KENTUCKY DEPARTMENT OF EDUCATION
702 KAR 4:160

BG-4
CONTRACT CLOSEOUT FORM

District Name: _____ District Code: _____ Facility Name: _____ School Code: _____
 BG #: _____ Project Name: _____
 Contractor: _____ Bid Package: _____

A. Project Construction Cost:

- | | |
|--|------------|
| 1. Original Contract Amount | \$ _____ |
| 2. Net Total of Change Orders to Contract | \$ _____ |
| 3. Original Purchase Order Summary Amount | \$ _____ |
| 4. Net Total of Change Orders to Purchase Orders | \$ _____ |
| 5. Total Cost of Construction (sum of lines 1 - 4) | \$ _____ 0 |

B. Verification of required approvals by other regulatory agencies:

1. Office of Housing, Buildings and Construction

- | | | | |
|-----------------------------|-------------|---------------------------|-------------|
| a. Certificate of Occupancy | DATE: _____ | e. Sprinkler Certificate | DATE: _____ |
| b. Plumbing Certificate | DATE: _____ | f. Boiler Certificate | DATE: _____ |
| c. Electrical Certificate: | DATE: _____ | g. Range Hood Suppression | DATE: _____ |
| d. Fire Alarm Certificate: | DATE: _____ | h. Other _____ | DATE: _____ |

2. Natural Resources and Environmental Protection Cabinet

- | | |
|--------------------------------|-------------|
| a. Sewage Disposal Certificate | DATE: _____ |
| b. Other _____ | DATE: _____ |

C. Close Out:

- | | | | |
|---|-------------|--|-------------|
| 1. Punch List Completed | DATE: _____ | 4. Owner Training on Systems | DATE: _____ |
| 2. Record Drawings Completed | DATE: _____ | 5. Verification of Payment of Debts and Claims to Date | DATE: _____ |
| 3. Warranty & Guarantees Information Provided | DATE: _____ | 6. Other _____ | DATE: _____ |

The work performed under this contract has been reviewed and found to be substantially complete, according to the plans and specifications approved by the Kentucky Department of Education.

Architect: _____	DATE: _____
Engineer: _____	DATE: _____
Contractor/ Construction Manager: _____	DATE: _____
The _____ Board of Education accepts this contract as being complete subject to the review of the Kentucky Department of Education.	
Local Board of Education Designee: _____	DATE: _____

LOCAL BOARD ORDER MUST BE ON FILE WITH DISTRICT
 Submit one complete copy to KDE for each contract and purchase order summary, if utilized.



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

Form: BG-4 Contract Closeout

Regulation Revision Changes

- ▶ Updated: project closeout to contract closeout
- ▶ Added: Direct Purchase Order closeout in Section A – Project Construction Cost. Only one BG-4 is required, per construction contract.
- ▶ Removed: Board order attachment (district to maintain in project file)



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

Form: BG-5 Project Closeout

- ▶ New form which reconciles the Final Project Cost.
- ▶ Can be used to determine residual funds (left over monies from a closed out BG project).
- ▶ When all construction contracts are complete (all BG-4s submitted), and if the board agrees the project is complete, it shall approve the BG-5 Project Closeout Form (BG-5 Form) and forward it to the department for review and approval.



Form: BG-5 Project Closeout

KENTUCKY DEPARTMENT OF EDUCATION
702 KAR 4:180

BG-5
PROJECT CLOSEOUT FORM

District Name: _____ District Code: _____ Facility Name: _____ School Code: _____

BG #: _____ Project Name: _____

A. PROJECT COMPLETION & INVENTORY UPDATE

Project Total Gross Square Footage: _____

The work performed under this project has been reviewed and found to be substantially complete, according to the KDE approved Construction Documents.

Date of Project Substantial Completion : _____

Upon project completion, submit a revised total building inventory file, per 702 KAR 4:180, for building(s) modified or newly constructed during the project.

Date of Inventory Update: _____

B. RECONCILIATION OF FINAL PROJECT COST

	CURRENT BG-1 COSTS (reconciled with bid amts.)	FINAL PROJECT COSTS		CURRENT BG-1 FUNDS AVAILABLE (reconciled with bid amounts)	FINAL FUND SOURCES UTILIZED
1. Total Construction Cost	\$ -	\$ -	1. SFCC Cash Req.	\$ -	\$ -
2. Architect/Engineer Fee	\$ -	\$ -	2. SFCC Bond Req.	\$ -	\$ -
3. Construction Manager Fee	\$ -	\$ -	3. SFCC Bond Sale	\$ -	\$ -
4. Bond Discount	\$ -	\$ -	4. Local FSPK Bond Sale	\$ -	\$ -
5. Fiscal Agent Fee	\$ -	\$ -	5. Local Gen Fund Bond Sale	\$ -	\$ -
6. Construction Contingencies	\$ -	\$ -	6. Cash - General Fund	\$ -	\$ -
7. Site Acquisition	\$ -	\$ -	7. Cash - Capital Outlay	\$ -	\$ -
8. Equipment/Furnishings	\$ -	\$ -	8. Cash - Building Fund	\$ -	\$ -
9. Equipment/Computers	\$ -	\$ -	9. Cash - Inv. Earnings	\$ -	\$ -
10. Tech. Network Sys. (KETS)	\$ -	\$ -	10. KETS	\$ -	\$ -
11. Other*	\$ -	\$ -	11. KYTC Reimbursement	\$ -	\$ -
12. Other*	\$ -	\$ -	12. Other*	\$ -	\$ -
13. Other*	\$ -	\$ -	13. Other*	\$ -	\$ -
14. Other*	\$ -	\$ -	14. Other*	\$ -	\$ -
Total Costs:	\$ -	\$ -	Total Funds:	\$ -	\$ -

* Define

The expense totals reflected on this form were incurred as a result of the construction for the above reference project. An accounting of the expenses was presented to the board for review and approval prior to payment.

The _____ Board of Education accepts this project as being complete subject to the review of KDE.
Local Board of Education Designee: _____ DATE: _____

LOCAL BOARD ORDER MUST BE ON FILE WITH DISTRICT
Submit one complete copy to KDE for each completed project.

SUBMIT AN INVENTORY UPDATE - PER 702 KAR 4:180



702 KAR 4:160. Capital Construction Process

Effective: September 6, 2013

Form: BG-5 Project Closeout

Section B – Reconciliation of Final Project Cost

- BG-5 Final Project Cost Construction Contingency amount = zero
- BG-5 Final Total Project Costs amount = BG-5 Final Total Project Funds amount.
- The BG-5 form identifies “residual funds” by subtracting the BG-5 Final Total Project Cost from Current BG-1 Total Project Cost. The rules for spending any residual funds are to be the same rules which govern the most restricted funds in the project from which the funds remain. (least restrictive funds to be used first)
- If the BG-5 Final Total Project Costs amount is greater than the Current BG-1 Total Project Cost amount, then a Revised BG-1 is required prior to submission of the BG-5 form.



Form: BG-5 Project Closeout (snapshot)

B. RECONCILIATION OF FINAL PROJECT COST

	<div style="border: 1px solid red; padding: 2px;">Lastest Approved BG-1 Project Costs</div> CURRENT BG-1 COSTS <small>(reconciled with bid amts.)</small>	<div style="border: 1px solid red; padding: 2px;">BG-5 Final Project Costs</div> FINAL PROJECT COSTS	Final Construction Contingency should be zero	<div style="border: 1px solid red; padding: 2px;">Lastest Approved BG-1 Project Funds</div> CURRENT BG-1 FUNDS AVAILABLE <small>(reconciled with bid amounts)</small>	<div style="border: 1px solid red; padding: 2px;">BG-5 Final Project Funds</div> FINAL FUND SOURCES UTILIZED
1. Total Construction Cost	\$ 162,000.00	\$ 162,000.00	FCC Cash Req.	\$ -	\$ -
2. Architect/Engineer Fee	\$ 14,072.00	\$ 13,419.42	SFCC Bond Req.	\$ -	\$ -
3. Construction Manager Fee	\$ -	\$ -	SFCC Bond Sale	\$ -	\$ -
4. Bond Discount	\$ 3,831.00	\$ 3,831.00	4. Local FSPK Bond Sale	\$ 191,535.00	\$ 180,866.99
5. Fiscal Agent Fee	\$ 1,112.00	\$ 1,112.00	5. Local Gen Fund Bond Sale	\$ -	\$ -
6. Construction Contingencies	\$ 8,100.00	-	6. Cash - General Fund	\$ -	\$ -
7. Site Acquisition	\$ -	\$ -	7. Cash - Capital Outlay	\$ -	\$ -
8. Equipment/Furnishings	\$ -	\$ -	8. Cash - Building Fund	\$ -	\$ -
9. Equipment/Computers	\$ -	\$ -	9. Cash - Inv. Earnings	\$ -	\$ -
10. Tech. Network Sys. (KETS)	\$ -	\$ -	10. KETS	\$ -	\$ -
11. Other* Reimbursables	\$ 1,420.00	\$ -	11. KYTC Reimbursement	\$ -	\$ -
12. Other* Testing	\$ 1,000.00	\$ 504.57	12. Other*	\$ -	\$ -
13. Other*	\$ -	\$ -	13. Other*	\$ -	\$ -
14. Other*	\$ -	\$ -	14. Other*	\$ -	\$ -
Total Costs:	\$ 191,535.00	\$ 180,866.99	Total Funds:	\$ 191,535.00	\$ 180,866.99

* Define

The expense totals reflected on this form were incurred as a result of the construction of the reference project.

An accounting of the expenses was presented to the board for review and approval prior to the completion of the project.

Difference of [Latest Approved BG-1 Total Project Cost] - [BG-5 Final Total Project Cost] = Residual Amount

The ABC District Board of Education accepts this project as being complete subject to the review of KDE.

Local Board of Education Designee: _____ DATE: _____

LOCAL BOARD ORDER MUST BE ON FILE WITH DISTRICT
Submit one complete copy to KDE for each completed project.

Questions

