



DEPARTMENT OF
GENERAL SERVICES

BUREAU OF CAPITAL OUTLAY MANAGEMENT

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BCOM Newsletter

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DEB Notice 060415

DEB Notice 060415 was issued on June 4, 2015. The purpose of this notice is to clarify the documentation required to be included in an Agency's request for approval to use the Construction Management at Risk (CM) procurement procedures as adopted by the Secretary of Administration and outlined in Section 7.2 of the Construction and Professional Services Manual. An associated form, DGS-30-456, was created to facilitate these requests.

CPSM Forms Update

The following CPSM forms have been added or revised since the last BCOM Newsletter advisory:

- [DGS-30-018, CO-3a, Terms and Conditions of the A/E Contract](#) (Revised 05-15)
- [DGS-30-057, CO-7CM, General Conditions of the Construction Mgmt Contract](#) (Revised 05-15)
- [DGS-30-100, CO-11ae, Architect/Engineer Contract Change Order](#) (Revised 06-15)
- [DGS-30-199, CR-3, Project Planner](#) (Revised 06-15)
- [DGS-30-456, Construction Management @ Risk Authorization Request](#) (New 06-15)

Download [Form DGS-30-000, Capital Outlay Management Forms Master List](#) for a complete listing of the latest version of each CPSM form.

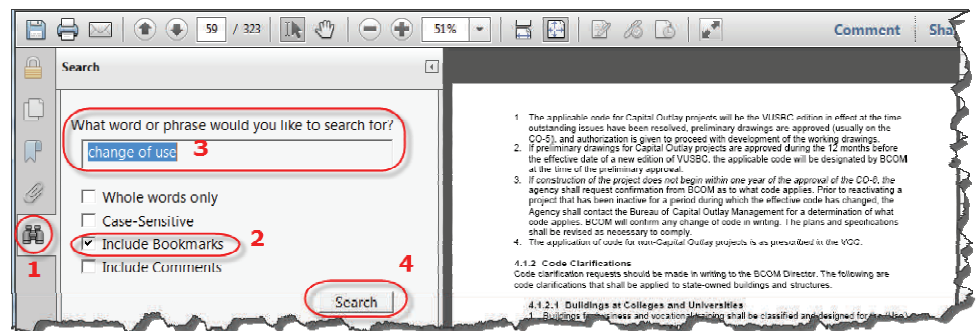
Reminder: Submit A/E Contracts and MOUs within 10 days following Award

Submit copies of A/E Contracts (i.e., forms CO-3, CO-3.1, or CO-3.2) to BCOM within 10 days after the contract is executed. Include a copy of the associated Memorandum of Understanding (MOU). For CO-3.1 Contracts, also include a copy of the initial Project Order (CO-3.1a).

Searching the CPSM

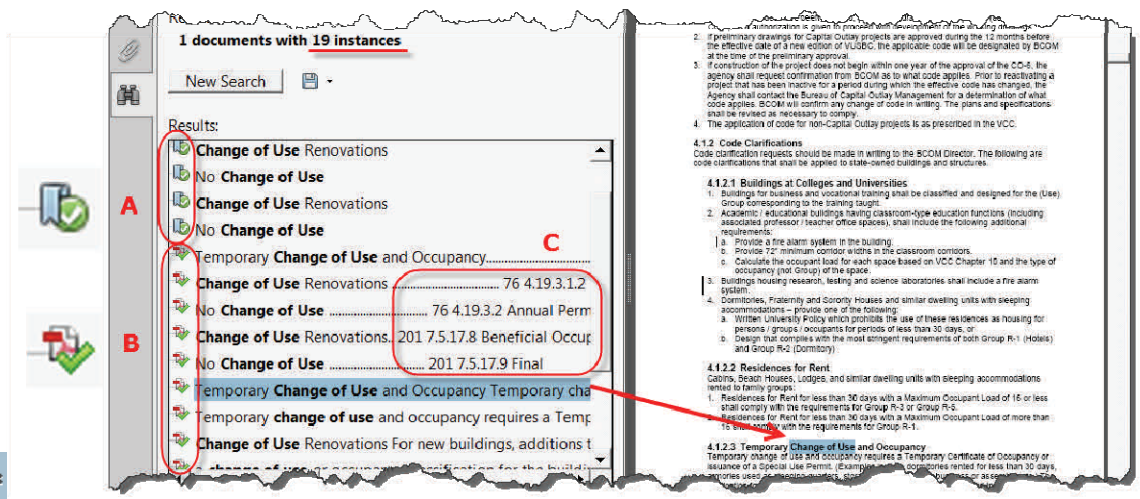
To take advantage of the Search features of the CPSM:

1. Click on the binoculars icon
2. Check "Include Bookmarks"
3. Enter the desired work or phrase (e.g., "change of use")
4. Click on "Search"



In the example search results below, 19 instances of the phrase “change of use” were found.

- A. The items marked by icon “A” below represent bookmarked section titles that contain the phrase, so they are listed at the top of the search results as they are very relevant to the phrase “change of use”.
- B. The items marked by icon “B” are instances where the phrase was found within the text of the CPSM.
- C. If the search phrase appears in the Table of Contents, the numbers shown are the page, followed by the section number.



To quickly access the
2014 CPSM, Rev 1:
[Click Here](#)

Alternative Search:

For a quick, simple search, press the “Ctrl” + “F” keys

change of use

Q & A

Q: Why are two CO-2 forms needed to adjust funds for subprojects?

A: Funds for capital projects are approved at the primary project level, versus at the subproject level.

In BITS, the primary project is represented by the 5-digit project code and the “000” subproject code.

Subprojects are a means to divide a primary project into discrete contracts and/or phases. They are sequentially numbered Subproject 001, 002, 003, etc.

CO-2 forms are submitted for subprojects primarily to document, and obtain approval for, the budget for that specific segment of work. When a CO-2 is submitted for a subproject, BITS will display – in “read only” format – the funds from the latest approved CO-2 for the primary (“000”) project on the subproject’s CO-2 funding tab. From these total funds, BITS will deduct the sum of the funds “committed” to all the other subprojects that are currently under contract. The result is the “funds available” for the current subproject. If an insufficient fund balance is available, the agency must identify and submit the request to add additional funds by means of a new CO-2 for the primary (“000”) project.

Budgeting Phased Projects

Budgeting phased projects can be challenging, especially when later phases are not well defined. Projects can have two types of phases; independent and dependent:

- **Independent** – phases are not physically related to the other phases for the successful completion of the overall project. An example of this would be an ADA Improvement project that consists of multiple improvements across a campus. Completion of one phase has little effect on the other phases.
- **Dependent** – phases are those that require the successful completion of all phases for the successful completion of the overall project. An example of this would be a building renovation that has the following three phases:
 - Exterior Repairs
 - Core and Infrastructure
 - Tenant Upfit



Each of the three phases must be successfully completed before the project as a whole is complete. At the onset of a phased project, it is necessary to identify the entire budget for every phase. This type of “Holistic Budgeting” forecasts a total project budget at each phase. The [CR-2](#) form can accommodate up to 10 phases.

The Cost Review submittal procedure for projects with dependent phases is as follows:

- A. **CBR Verification Report** is issued authorizing funding for Detailed Planning typically for all phases.
- B. **First Phase/Schematic:**
 - Submit an A/E cost estimate.
 - Submit a narrative for this phase and for the project as a whole.
 - In the CR-2, identify the complete budget for the first phase at a schematic level of accuracy and identify the complete budget for all subsequent phases at an order-of-magnitude level of accuracy. (The [CR-3](#) form is available on the DGS Forms Center and may assist in this effort.)
- C. **First Phase/Preliminary:**
 - Submit an updated A/E and an Independent cost estimate.
 - In the CR-2, refine the complete budget for the first phase at a preliminary level of accuracy based on design progress and feedback from the Schematic Cost Review. Again, identify the complete budget for all subsequent phases at an order-of-magnitude level of accuracy.
- D. **Funding Report** is issued once the *Six-Year Capital Outlay Plan Advisory Committee ((6-PAC) established pursuant to § [2.2-1516](#))* authorizes funding for the first phase.
- E. **Second Phase** (and all subsequent phases) may coincide with other phases or may be staggered, depending upon the agency’s project goals and schedule.
 - Follow the instructions above based on the appropriate phase including a revised CR-2 updated to reflect the latest information such as revised estimates, Cost Review recommendations from the previous stage (Schematic/Preliminary) or phase, or the amounts authorized from the previous phase.