

SOUTH DAKOTA BOARD OF REGENTS

Budget and Finance
Consent

AGENDA ITEM: 2 – M
DATE: May 14, 2019

SUBJECT

Maintenance & Repair (M&R) Projects

CONTROLLING STATUTE, RULE, OR POLICY

[BOR Policy 6:6](#) – Maintenance and Repair

[HB1020](#) – Revise Certain Provisions Regarding State Building Committees for Capital Improvement Projects

BACKGROUND / DISCUSSION

According to BOR Policy 6:6 – Maintenance and Repair, projects not on an approved list estimated to cost more than \$250,000 must be submitted for Board approval. Any changes, other than funding realignments and transfers, over \$250,000 to an approved project must be submitted to the Board.

During the 2019 legislative session, [HB1020](#) was passed. This bill changed the definition of a capital improvement project and thus the requirement of a building committee. Previously, a capital improvement project was defined as any project over \$1.5M in cost. HB1020 has increased that threshold to \$5M. While the law does not go into effect until July 1, 2019, the Office of the State Engineer has determined that if expenses will not exceed the \$1.5M prior to July 1, the project can proceed without a building committee. BOR policies change will be needed to 6:4, 6:5, and 6:6 to align with this new law. M&R projects greater than \$250,000 and less than \$5M will be submitted to the Board of Regents as a consent item and will not require a building committee. This means that fewer projects require preliminary facility statements, facility program plans, and facility design plans. The BOR policy changes will propose that all new construction will still require a building committee.

South Dakota State University requests approval of the following item:

West River Agronomy Center – Building Utilities and Interior Finishes:
SDSU requests using \$350,000 of ag research fees to provide utilities such as septic service, interior plumbing, building electrical, lighting, HVAC mechanical systems, and carpentry to building out the classroom, office and soil lab space at

(Continued)

DRAFT MOTION 20190514_2-M:

I move to approve SDSU’s renovation project for the West River Agronomy Center north of Sturgis, SD, at a cost of \$350,000 paid for with ag research fees.

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the West River Agronomy Center located north of the Meade county airport outside of Sturgis, SD.

IMPACT AND RECOMMENDATIONS

Approval of the project will allow the institution to complete projects over the summer construction season. Staff recommend approval of these projects.

ATTACHMENTS

None