

John Bel Edwards
Governor



Jay Dardenne
Commissioner of Administration

AMERICAN COUNCIL OF ENGINEERING COMPANIES
A.C.E.C.
FALL CONFERENCE

NOVEMBER 13, 2023

ROGER HUSSER, JR., P.E.
DIRECTOR
FACILITY PLANNING AND CONTROL
DIVISION OF ADMINISTRATION



**OFFICE OF THE GOVERNOR
DIVISION OF ADMINISTRATION
OFFICE OF FACILITY PLANNING AND CONTROL**



**RESPONSIBLE FOR:
THE CAPITAL OUTLAY BILL
HOUSE BILL 2
THE STATE'S CONSTRUCTION BUDGET**



2023 CAPITAL OUTLAY BILL OBJECTIVES

OUR PRIORITIES FOR BILL DEVELOPMENT HAVE BEEN CONSISTENT SINCE 2016:

- **BE MORE REALISTIC WITH OUR STATE'S CONSTRUCTION DOLLARS**
- **FOCUS ON REPAIRING OUR HIGHWAY SYSTEM AND TAKING BETTER CARE OF OUR STATE BUILDINGS**
- **AVOID OVER-BUDGETING OUR CAPITAL OUTLAY BILL WITH PROJECTS THAT HAVE LITTLE HOPE OF EVER BEING FUNDED**



Key FY'24 Capital Outlay Request Statistics



- **1799 Requests received**
 - 376 Requests from state agencies for \$1.50B in General Obligation Bonds in FY'24
 - 1,131 Requests from non-state entities for \$1.92B in General Obligation Bonds in FY'24
- **\$3.42 Billion requested for State Debt in Year 1 (FY'24)**



Original House Bill 2 For FY'24

683 Projects totaling \$9.2 billion (all means of finance)

- \$5.9B General Obligation Bonds (State Debt)
- \$3.3B Cash means of finance

+-----

Total of \$9.2 B



ORIGINAL 2023 HB2 GENERAL OBLIGATION BOND APPROPRIATIONS

PRIORITY 1:	1.38 Billion
PRIORITY 2:	69.65 Million
PRIORITY 5:	<u>4.44 Billion</u>
TOTAL:	5.89 Billion





ACT 465 of 2023

958 Projects totaling \$11.6 billion (all means of finance)

- \$7.7B General Obligation Bonds (State Debt)
- \$3.9B Cash means of finance

+ -----

Total of \$11.6 B



ACT 465 OF 2023

GENERAL OBLIGATION BOND APPROPRIATIONS

PRIORITY 1: 1.73 Billion

PRIORITY 2: 101.7 Million

PRIORITY 5: 5.87 Billion



TOTAL: 7.7 Billion



OTHER MEANS OF FINANCING FOR CAPITAL PROJECTS ("CASH")

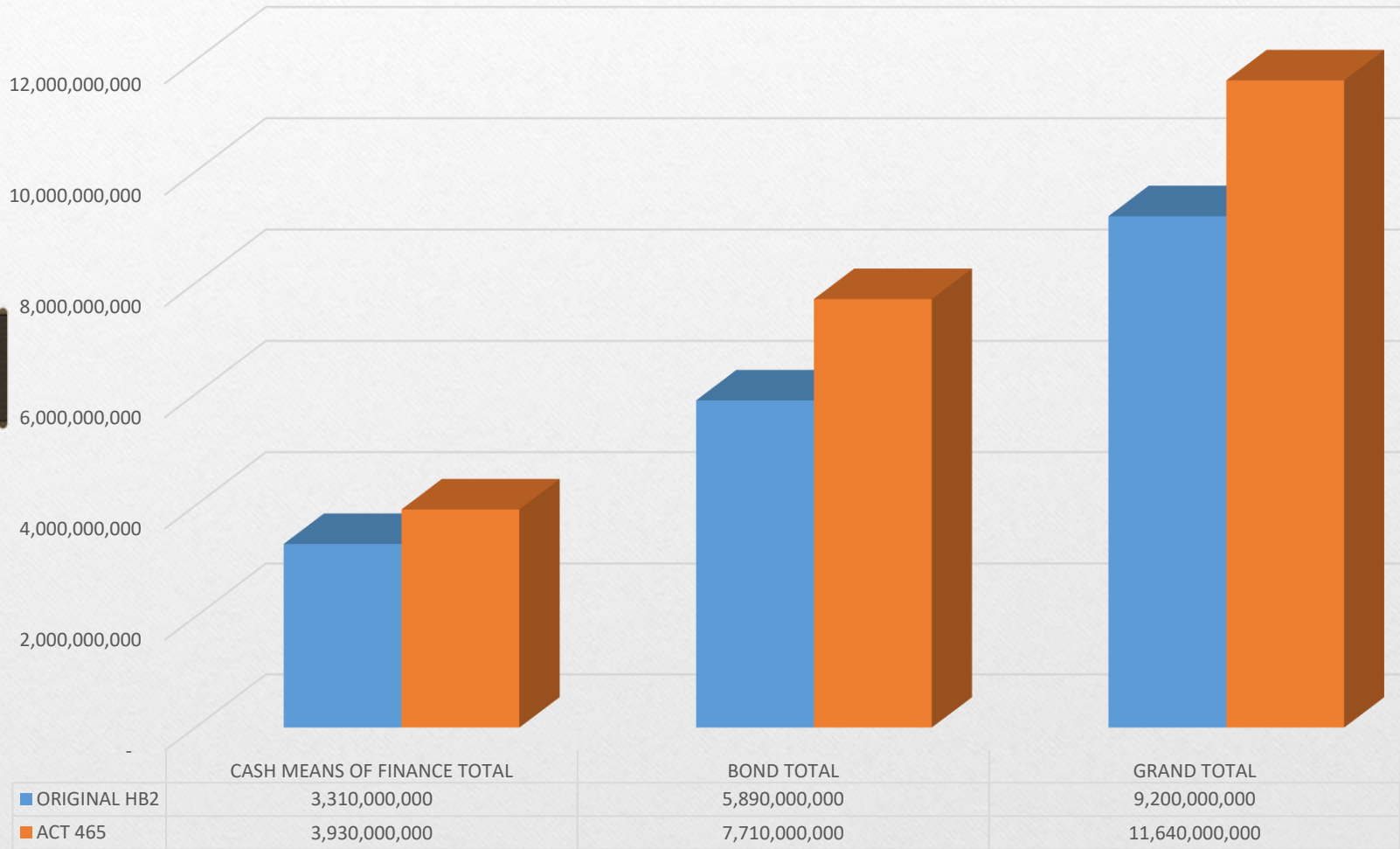
- **FEDERAL FUNDS**
- **FEDERAL FUNDS VIA INTERAGENCY TRANSFER**
- **COASTAL PROTECTION & RESTORATION FUND**
- **NATURAL RESOURCES RESTORATION TRUST FUND**
- **TRANSPORTATION TRUST FUND – FEDERAL**
- **TRANSPORTATION TRUST FUND – REGULAR**
- **TRANSPORTATION TRUST FUND – CONSTRUCTION SUB-FUND**
- **INTERAGENCY TRANSFERS**
- **MISCELLANEOUS STATUTORY DEDICATIONS**
- **FEES & SELF-GENERATED REVENUES**
- **RE-APPROPRIATED CASH**
- **REVENUE BONDS**
- **FY'22 GENERAL FUND (DIRECT) NON-RECURRING REVENUES**
- **FY'23 GENERAL FUND**
- **CAPITAL OUTLAY SAVINGS FUND**

TOTAL CASH PROPOSED IN THE ORIGINAL HB2: \$3.3 Billion

TOTAL CASH IN ACT 465: \$3.9 Billion



TOTAL APPROPRIATIONS



■ ORIGINAL HB2 ■ ACT 465



A LOOK FORWARD

G. O. BONDS PRIORITY 1 + PRIORITY 5

G. O. BONDS PRIORITY 2 + PRIORITY 5

CASH MEANS OF FINANCING + PRIORITY 5

PRIORITY 1:	\$1.7 BILLION
ASSOCIATED PRIORITY 5:	\$3.5 BILLION
PRIORITY 2:	\$101 MILLION
ASSOCIATED PRIORITY 5:	\$752 MILLION
CASH:	\$424 MILLION
ASSOCIATED PRIORITY 5:	\$1.6 BILLION
TOTAL PRIORITY 1, 2, AND CASH:	\$2.2 BILLION
TOTAL ASSOCIATED PRIORITY 5:	\$5.8 BILLION



A LOOK FORWARD

TOTAL PRIORITY 1, 2, AND CASH: \$2.2 BILLION

TOTAL ASSOCIATED PRIORITY 5: \$5.8 BILLION

AVERAGE “NEW” BOND CAPACITY OVER THE NEXT 5 YEARS

\$600,000,000

(NON-STATE PROJECTS AT 25% = \$150,000,000)

CONSIDERING EXISTING ONGOING PROJECTS

- **RESULTS IN A 10-YEAR CAPITAL OUTLAY PROGRAM**
- **PROVIDED THAT NO ADDITIONAL NEW PROJECTS ARE ADDED IN THE UPCOMING LEGISLATIVE SESSIONS.**



APPROPRIATIONS IN ACT 465



- **STATEWIDE PROGRAMS**

- ADA STATEWIDE PROGRAM
- STATE OFFICE BUILDINGS MAJOR REPAIRS
- MAJOR REPAIRS TO ADDRESS DEFERRED MAINTENANCE BACKLOG FOR STATE-OWNED BUILDINGS
- MOLD REMEDIATION AND INDOOR AIR QUALITY
- OUTSTANDING PERCENT FOR THE ARTS
- REPAIR RESTORATION AND REPLACEMENT FOR DECLARED DISASTERS
- STATEWIDE ROOFING ASSET MANAGEMENT PROGRAM AND WATERPROOFING
- LOUISIANA GOVERNMENT ASSISTANCE PROGRAM
- COMMUNITY WATER ENRICHMENT PROGRAM



Appropriations in Act 465

- **STATE AGENCIES (Agencies in Bold are Administered by FP&C)**
 - COASTAL PROTECTION AND RESTORATION AUTHORITY
 - DEPARTMENT OF MILITARY AFFAIRS
 - LOUISIANA STADIUM AND EXPOSITION DISTRICT
 - **DEPARTMENT OF VETERANS AFFAIRS**
 - **SECRETARY OF STATE**
 - **CRT: OFFICE OF STATE MUSEUMS & OFFICE OF STATE PARKS**
 - **NEW ORLEANS CITY PARK & NAVAL WAR MEMORIAL**
 - DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT (DOTD)
 - **DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS**
 - **LOUISIANA DEPARTMENT OF HEALTH**
 - **DEPARTMENT OF WILDLIFE AND FISHERIES**
 - **HIGHER EDUCATION**



Appropriations in Act 465

- **HIGHER EDUCATION**
 - LSU SYSTEM
 - SOUTHERN UNIVERSITY SYSTEM
 - UNIVERSITY OF LOUISIANA SYSTEM
 - LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM



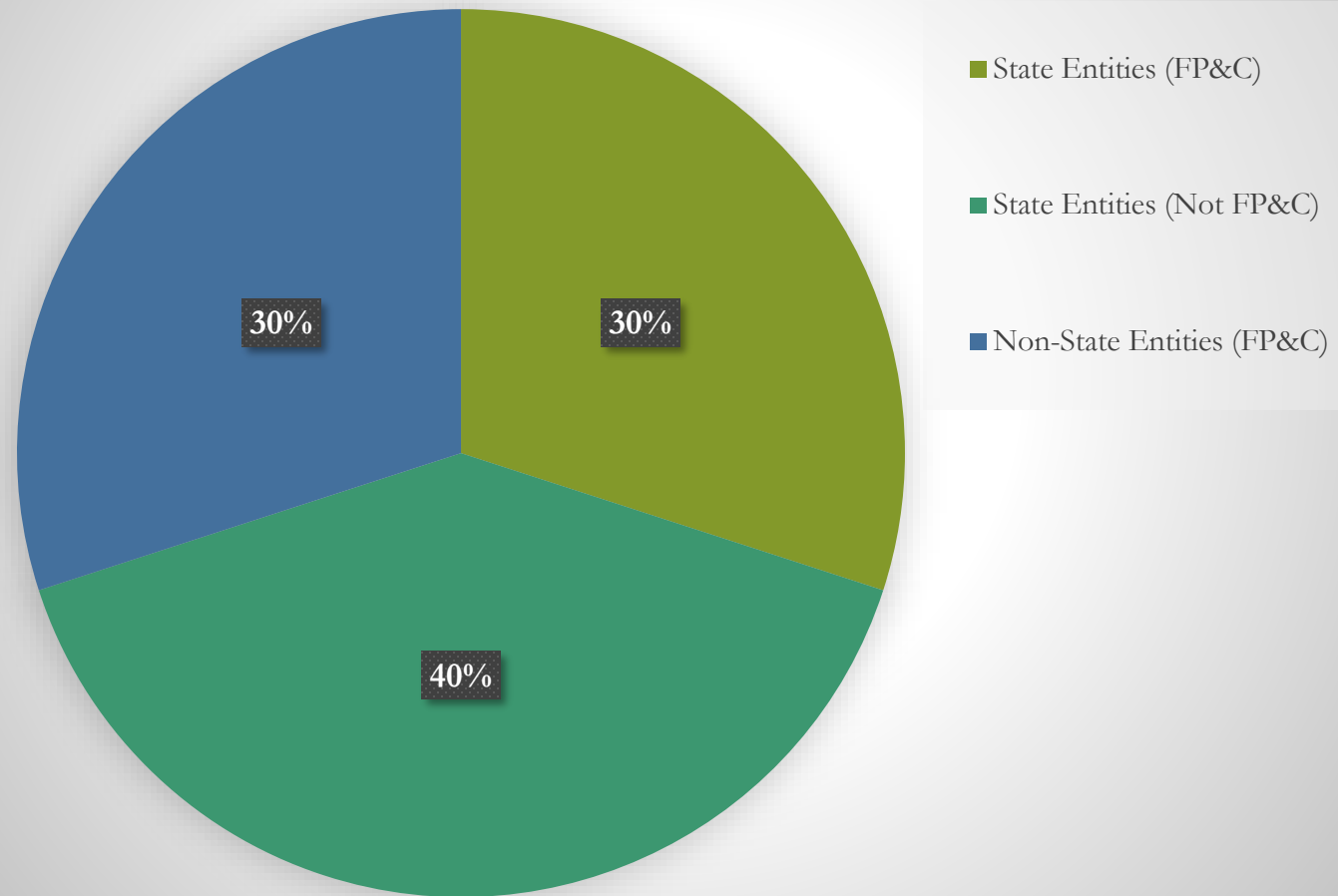


Appropriations in Act 465

- **NON-STATE ENTITIES**
 - LEVEE DISTRICTS AND PORTS
 - PARISHES
 - MUNICIPALITIES
 - OTHER POLITICAL SUBDIVISIONS OF THE STATE
 - NON-GOVERNMENTAL ORGANIZATIONS



Act 465 – Capital Outlay Administration





PROJECTS INCLUDED IN ACT 465 OF 2023

VISIT THE LEGISLATIVE WEBSITE:

WWW.LEGIS.LA.GOV/LEGIS/HOME

USE DROPDOWN ON “BILLS – 2023 REGULAR SESSION”

SEARCH BY INSTRUMENT: DROPDOWN “HB” AND FILL IN “2”

DROPDOWN “TEXT” AND “HB2 ACT”

AT THIS POINT ACT 465 WILL BE DISPLAYED

“NEW” PROJECTS IN THE BILL ARE GENERALLY:

- **PRIORITY 1/2 WITH ASSOCIATED PRIORITY 5**
- **CASH MEANS OF FINANCING WITH PRIORITY 5**





DESIGNER SELECTION

**FOR FPC ADMINISTERED PROJECTS
(EXCLUDES DOTD, LSED, CPRA, LED, OCD &
LEGISLATIVE BUDGETARY CONTROL COUNCIL)**

DIRECT APPOINTMENTS – LESS THAN \$500,000

STATE SELECTION BOARD - \$500,000 OR GREATER

***DOES NOT APPLY TO “NON-STATE” ENTITIES**



R.S. 38:2311 CREATES THE SELECTION BOARDS

THE LOUISIANA ARCHITECTS SELECTION BOARD

8 MEMBERS

5 REGULAR MEMBERS ELECTED FROM EACH OF 5 DISTRICTS
HEAD OF THE USER AGENCY OR HIS/HER DESIGNEE
FP&C DIRECTOR AND ASSISTANT DIRECTOR

THE LOUISIANA ENGINEERS SELECTION BOARD

6 MEMBERS

2 MEMBERS ELECTED BY THE ACEC
2 MEMBERS ELECTED BY THE LES
HEAD OF THE USER AGENCY OR HIS/HER DESIGNEE
FP&C DIRECTOR

THE LOUISIANA LANDSCAPE ARCHITECTS SELECTION BOARD

6 MEMBERS

4 MEMBERS ELECTED BY THE LSLA
HEAD OF THE USER AGENCY OR HIS/HER DESIGNEE
FP&C DIRECTOR



CRITERIA FOR SELECTION

R.S. 38:2313 Selection of persons for professional services; participation in mentor-protégé program

B. The following guides, among other factors that the boards may deem appropriate, shall be used by the boards in selecting persons for professional services:

- (1) **Professional training and experience**, both generally and in relation to the **type and magnitude of work required for the particular project**;
- (2) **Capacity** for timely completion of the work, taking into consideration the **person's or firm's current and projected workload** and professional and support manpower;
- (3) **Past and current professional accomplishments**, for which opinions of clients or former clients and information gathered by inspection of current or recent projects may be considered;
- (4) The **nature, quantity, and value of agency work previously performed and presently being performed** by the person after the effective date of this Part, it being generally desirable to allocate such work among persons who are desirous and qualified to perform such work.



CRITERIA FOR SELECTION (CONT.)

(5) **Past performance on public projects**, including any problems with time delays, cost overruns, and design inadequacies for which the designer was held to be at fault, involved in prior projects as evidenced by documentation provided by the Facility Planning and Control Department of the office of the governor;

(6) An analysis provided by the Facility Planning and Control Department of the office of the governor of whether problems as indicated in Paragraph (5) of this Subsection resulted in **litigation between the public entity and the person performing professional services**, particularly if the designer is currently involved in unsettled litigation with a public entity or has been involved in litigation with a public entity where the public entity prevailed.

(7) The **geographic proximity** of the physical location of the office of the otherwise qualified applicant to the physical location of the job or project.





CRITERIA FOR SELECTION APPLICATION CONTENT

type and magnitude of work required for the particular project

FP&C specifically looks for applicants that have successfully completed similar types and magnitudes of the project being advertised.

person's or firm's current and projected workload

FP&C considers the workloads of the applicants and therefore the ability to perform the work. Also, in order to “spread the work”.

Past performance on public projects

FP&C considers past performance within the last 4 years to gauge the applicant's ability to perform.

geographic proximity

FP&C considers the geographic location somewhat as a tie-breaker with all other criteria being equal.



DIRECT APPOINTMENTS

(UNDER \$500,000)

FPC STAFF NOMINATES 3 FIRMS

CRITERIA USED FOR APPOINTMENT:



- **EXPERIENCE/QUALIFICATIONS, ETC.**
- **HUDSON INITIATIVE (SMALL BUSINESSES)**
- **VETERAN OWNED/DISABLED VETERAN OWNED**
- **PROXIMITY TO SITE**
- **PROJECTS WITH FPC WITHIN THE LAST 4 YEARS**



DIRECT APPOINTMENTS

HUDSON INITIATIVE (SMALL BUSINESSES)

- **PRINCIPLE PLACE OF BUSINESS IN LOUISIANA**
- **FEWER THAN 50 EMPLOYEES**
- **GROSS RECEIPTS LESS THAN \$5M FOR NON-CONSTRUCTION AND
LESS THAN \$10M FOR CONSTRUCTION COMPANIES**
- **INDEPENDENTLY OWNED AND OPERATED**
- **NON-DOMINANT IN ITS PROFESSIONAL FIELD**
- **OWNED BY PERSONS DOMICILED IN LOUISIANA**
- **OWNERS/OFFICERS US CITIZENS OR LEGAL RESIDENTS**



SUMMARY



WHAT NEW PROJECTS CAN WE EXPECT TO SEE?

1. MONITOR HB2 DURING LEGISLATIVE SESSION

- “CASH” SOURCES GENERALLY BECOME AVAILABLE JULY 1, ALONG WITH REAUTHORIZED PRIORITY 1/2

2. MONITOR BOND COMMISSION AGENDAS INTO THE FALL FOR CASH LINES OF CREDIT

- NEW PRIORITY 1/2 GENERALLY BECOMES AVAILABLE IN SEPTEMBER/OCTOBER WITH APPROVAL BY THE BOND COMMISSION

3. MONITOR SELECTION BOARD AGENDAS

- ARCHITECT SELECTION BOARD, ENGINEER SELECTION BOARD, LANDSCAPE ARCHITECT SELECTION BOARD
- SIGN UP FOR THEIR NOTIFICATIONS.

ANTICIPATED PROJECTS FOR JANUARY ENGINEERING SELECTION BOARD

- 1. STRATEGIC CAPITAL PLAN: DEFERRED MAINTENANCE FOR INFRASTRUCTURE, RENOVATION AND STREETS – INFRASTRUCTURE, LSU, BATON ROUGE – \$11,360,000**
- 2. HURRICANE LAURA WATER CONTROL STRUCTURES REPAIRS (WEST), ROCKEFELLER WILDLIFE REFUGE, GRAND CHENIER – \$3,795,467**
- 3. CHILLER REPLACEMENT, VETERINARY MEDICINE FACILITIES REPAIRS/ADDITION, LSU, BATON ROUGE - \$1,800,000**
- 4. HURRICANE LAURA WATER CONTROL STRUCTURES REPAIRS (EAST), ROCKEFELLER WILDLIFE REFUGE, GRAND CHENIER – \$1,771,474**
- 5. BOILER REPLACEMENT, CENTRAL UTILITY PLANT, UNO, NEW ORLEANS - \$1,035,000**
- 6. CHILLER REPLACEMENT, WALKER, STRAUSS AND HEMPHILL HALLS, ULM, MONROE - \$1,000,000**
- 7. ENERGY MANAGEMENT SYSTEM AND HVAC EQUIPMENT REPLACEMENT, NORTHSHORE LTC FLORIDA PARISHES CAMPUS, GREENSBURG - \$785,000**
- 8. REPLACE AHUS, AG & FORESTRY HEADQUARTERS, BATON ROUGE - \$660,000**



CHANGES TO LAW

MONITOR PROPOSED LEGISLATION EACH YEAR

POTENTIAL IMPACT TO MANY PROFESSIONS

- PUBLIC ENTITIES**
- A/E TEAMS**
- CONTRACTORS**





CONSTRUCTION DELIVERY

“DESIGN / BID / BUILD”

“CONSTRUCTION MANAGEMENT AT RISK”

PUBLICLY BID PROJECTS USING TITLE 38





CONSTRUCTION MANAGEMENT AT RISK (CM@R)

- **PROJECTS GREATER THAN \$15M**
- **PROJECTS BETWEEN \$5M AND \$15M WITH APPROVAL OF LEGISLATIVE COMMITTEES**

FP&C CHANGES & INITIATIVES



GENERAL STREAMLINING

- **DIRECT APPOINTMENT PROCESS**
- **DESIGN AMENDMENT PROCESS**
- **CHANGE ORDER PROCESS**
- **PAYMENT PROCESS**
- **OTHERS TO COME!!!**



COMMISSIONING

- VALUE?

- ENERGY COMPLIANCE NOW
REQUIRED BY LAW





PROJECT MANAGEMENT SERVICES

- **IMMEDIATE WORK LOAD INCREASE AND ADDITIONAL PERSONNEL RESOURCES NEEDED**
 - **STAFF AUGMENTATION**
 - **PROJECT SPECIFIC MANAGEMENT**



QUESTIONS?

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