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Bulletin

Title: Facilities Construction Authorities

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Originating Office: ARS-AFM-Facilities Division

Distribution: ARS Area Directors, Deputy Area Directors
Area Budget and Fiscal Officers

This bulletin replaces Bulletin 07-152. This bulletin provides updated information regarding the authority to construct small buildings or alter facilities using Agency program funds.

A. Introduction

Area offices must obtain approval from Headquarters to use construction authorities for new small buildings or alterations to existing facilities expected to exceed \$25,000. Use of these authorities must be based on sound program need, and existing facilities should be the first option investigated when the need is validated. Only when existing facilities are inadequate to accommodate the program will construction authorities be requested.

B. Authorities

The Agricultural Research Service (ARS) Salaries and Expenses (S&E) appropriation language contains a number of authorities either limiting the number of buildings, or the amount of program funds that can be spent on them. Funding for major planning, design, modernization, and construction of ARS facilities is provided under the Building and Facilities Appropriation Act.

The provisions addressing buildings and expenditures in the S&E Act have been historically maintained to limit funding for brick and mortar activities within the annual research program account. In recent years, both the Agriculture Committees and the Subcommittees for Agriculture Appropriations have expressed interest and concern regarding the funding ARS commits under these various authorities. The FY 2006 Conference Report for ARS includes the following subject directive:

“The Conferees note that the Agricultural Research Service has had the authority to construct certain buildings provided by 7 U.S.C. 2250 for several years. The Committee directs the Agricultural Research Service to notify the Committee on Appropriations on the use of this authority on a semi-annual basis beginning January 1, 2006.”

ARS is required to notify the Committee in writing on the use of building authorities contained in ARS’ S&E appropriation language on January 1 and July 1 of each year.

The ARS annual appropriation provides the authority to construct small buildings or alter facilities using Agency program funds as follows:

1. **Unlimited Small Buildings (USB):** This is a construction authority to design and construct an unlimited number of small buildings at a cost not to exceed the authorized limitation identified in the applicable annual appropriation act language. Each building must serve to further enhance, pursue, and conduct immediate research program needs. *As of fiscal year (FY) 2008, this limitation is expected to remain at \$375,000 per USB.*
2. **Ten Small Buildings (TSB):** This is a construction authorization to design and construct or improve not more than TSB throughout the Agency at an individual cost not to exceed the authorized limitation identified in the applicable annual appropriation act language. Each building or addition to an existing building must serve to further enhance, pursue,

and conduct the immediate research program needs. *As of FY 2008, this limitation is expected to remain at \$750,000 per TSB.*

3. **Headhouse or Greenhouse (HH or GH):** This is a construction authority to design and construct an unlimited number of HH's and/or GH's, at a cost not to exceed the authorized limitation identified in the applicable annual appropriation act language. *As of FY 2008, this limitation is expected to remain at \$1.2 million per HH or GH.*
4. **10 Percent Alteration (TPA):** This is a construction authority to design and construct an alteration to any one ARS building at a cost not to exceed 10 percent of the building replacement value or the dollar limitation specified in the applicable annual appropriation act language, whichever is larger. *As of FY 2008, this limitation is expected to remain at \$375,000 per TPA, or 10 percent of the current replacement value, whichever is greater.*

Detailed descriptions of the authorities are outlined in Policies and Procedures 242.2, Facilities Construction Authorities.

In an effort to ensure authorities are consistently applied throughout the Agency and to provide an accurate accounting of funds spent, approval from Headquarters will be required to use any building authority in excess of \$25,000 listed above.

C. Procedures and Responsibilities

The following procedures will apply:

1. Areas will submit a written request (memorandum or e-mail) to the Facilities Division (FD) Director.
2. The request should include a justification for need; confirmation that the project has been approved by the Area Asset Management Review Board and included in the Area 5-Year Plan; detailed description and scope of proposed facility; the schedule; source of funds; estimated design, construction, and replacement costs; realty interest; and the accounting code that will be established for the project.

NOTE: Each facility project must be tracked in a separate accounting code.

A. The format for the accounting code is as follows:

X01LLLLRMM, where X = the budget fiscal year; 01 = appropriation type; LLL = the 4th level location mode code, with the "R" denoting a capitalized improved cost; and MM = sequential number assigned by the Area Budget and Fiscal Officer.

B. When establishing the accounting code, use the unique Program Type that corresponds to appropriate construction authority as follows:

<u>Program Type</u>	<u>Construction Authority</u>
71	USB
72	TSB
73	HH/GH
74	TPA

3. FD will review the Area request and provide a recommendation to the Budget and Program Management Staff and the National Program Staff, as appropriate.
4. The Office of the Administrator will provide FD with concurrence or nonoccurrence.
5. FD will provide Areas with the final decision/action.
6. Deputy Area Directors will ensure projects remain within limitations listed in Section B, Authorities of this Bulletin.
7. FD will submit authority summary to BPMS by December 1 and June 1 of each year to meet reporting requirements to Congress.
8. Any construction project undertaken below the \$25,000 threshold should be properly documented and maintained by the Area and location offices as to the source of funds, building limitation category, and other information which may be required for possible reporting purposes.

A sample format is enclosed for your use in submitting a request.

The Financial Management Division has developed a standard report from the Foundation Financial Information System Financial Data Warehouse by Construction Authority; i.e., by Program Type, and Program Class, if applicable. FD will use these reports to monitor the fund status of each project including the budgeted amount, obligations/expenditures to date, and balance.

Should you have any questions, please contact Donald Jones, Deputy Director, FD, on 301-504-1210.

/s/ Patrick G. Barry

PATRICK G. BARRY
Director
Facilities Division

Enclosure

SAMPLE FORMAT TO REQUEST USE OF BUILDING AUTHORITIES IN EXCESS OF \$25,000 *(CAN BE SUBMITTED VIA MEMORANDUM OR E-MAIL)*

SUBJECT: Request Approval for (Type) Building Authority

TO: FD Director

FROM: Area Office

Program Need and Justification:

Included in the Approved Area Facility Plan? Under what Project Title?

Project Description and Scope:

Funding Source and Proposed Implementation Schedule:

Accounting Code (and Program Class, if applicable):

Estimated Design and Construction Cost:

Replacement Cost (for Ten Percent Alteration Authority Requests):

Realty Interest:

Point of Contact: