

THE MANAGEMENT AND BUDGET ACT (EXCERPT)
Act 431 of 1984

18.1244 Scope of construction appropriation; direct labor charges; resident inspector; indirect or administrative overhead costs; separate accounts; design and construction requirements; contract to complete construction of project; conditions.

Sec. 244.

(1) Except as otherwise expressly provided or as provided in section 246, a construction appropriation includes, where applicable, costs for land; professional services, including engineering and inspection services; all construction trades work; utilities; site work; on site supervision; equipment; furniture; and furnishings for a completed facility ready for use. The appropriation for a project authorized in a budget act shall be charged with any direct labor performed on that project by employees of the state agency for which the appropriations are made. For each construction project for which the department is an agent, the department shall determine the need for a resident inspector to provide on site supervision. The department may employ and assign the resident inspector with the inspector's salary to be paid from the project account, or from the account designated by the department. If the department approves, a qualified employee of the state agency's regular staff may be the resident inspector with the inspector's salary to be paid from the state agency's operating funds. This subsection shall apply to all projects regardless of when the appropriations were made for the project. The direct labor charges and corresponding credits shall be made in accordance with the systems and procedures prescribed by the department. Charges shall not be made to projects for any indirect or administrative overhead costs, except professional services by a state agency if the professional services are approved by the department and if the department is the agent for the project and provides professional services or administers and supervises the project. The director may establish separate accounts within an appropriation to permit a state agency, community college, or institution of higher education to make expenditures for equipment, furniture, and furnishings. The director shall carry out this act and shall exercise the best professional judgment in the design and construction of all projects included within a budget act so that the design and construction meets the requirements of the projects in the most economical and efficient manner, with particular emphasis on future maintenance and operating cost.

(2) A contract to complete the construction of a project for which construction appropriations are made in a budget act shall be made upon the conditions that the total cost for the completion of each facility, ready for use, shall not exceed the total cost authorized for each respective project; that the obligations for payments for each project, during the fiscal years subject to this act, shall not exceed the amount appropriated for each specific facility by this and previous budget acts; and that the contract may be awarded before the beginning of the next fiscal year if the terms of the contract provide that payments shall not be made until after the first day of the following fiscal year, except in amounts previously appropriated.

History: 1984, Act 431, Eff. Mar. 29, 1985 ;-- Am. 1988, Act 504, Imd. Eff. Dec. 29, 1988

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