

## **INSTRUCTIONS FOR COMPLETING CAPITAL IMPROVEMENTS PROGRAM (CIP) REQUESTS**

### GENERAL INFORMATION

The purpose of this instructional package is to aid you in the preparation and development of your department's capital project request for the current year and your department's five year projection of capital projects.

### DEFINITION OF A CAPITAL IMPROVEMENT PROJECT

The Capital Improvements Program process provides for the identification, planning, reviewing and budgeting of capital projects. A capital improvement project is a major expenditure that is of a fixed nature or long life and adds to the net assets of the County. Capital improvement projects fall within one of the following categories:

A. Capital Project - Infrastructure investments or enhancements. These projects get reviewed by the Policy Committee and Planning Commission. Please use "CIP Project Request Form."

1. Land acquisition or lease;
2. Acquisition or improvement of property with a total cost exceeding \$50,000\*, and a useful life of ten years or more;
3. Major additions to public buildings with a total cost exceeding \$50,000\*, and a useful life of ten years or more;

\*\$50,000 indicates total project cost. For example, if a project requires \$10,000 each year for five years, the total cost is \$50,000; therefore, the project should be included in the Capital Improvement Program.

Some examples of capital projects are: fire stations, sewer lines, parks, libraries, sidewalks, streets, storm drains, waterlines, and school buildings.

B. Capital Maintenance Project

1. Replacement equipment exceeding \$50,000, with an expected life of ten years or more;
2. Building renovations, roof or HVAC repairs exceeding \$50,000 with an expected life of ten years or more;
3. Any other capital investments to maintain current facilitating programs that exceed \$50,000 and have an estimated life of ten years or more.

Some examples of capital maintenance projects are: roof replacements; refurbishments of existing facilities; replacement of vehicles, such as fire trucks and ambulances; parking lot paving/repaving; and HVAC replacement/repair.

Engineering or planning studies that are directly linked to a specific capital project are part of the cost of that project. Such engineering studies should be included in the project request of which they are a part. Other studies and plans can be major expenses of a nonrecurring nature, but are not County assets in the sense of a building; they will be given special treatment. They are generally not listed in the Capital Improvements Program, but are shown in the Operating Budget.

#### DEFINITION OF THE CAPITAL IMPROVEMENTS PROGRAM

The Capital Improvements Program is presented annually to the Board of Supervisors. The first year of the Capital Improvements Program is a combined capital and capital maintenance budget and is a list of projects for implementation during the coming fiscal year. The Capital Improvements Program is updated annually as new needs become known and as priorities change. It is possible that a project with low priority can remain in the Capital Improvements Program longer than five years as more important projects appear and move ahead of it for quick implementation. Conversely, a project may be implemented more quickly than originally planned due to changing priorities.

#### DEPARTMENT OR AGENCY RESPONSIBILITIES

A department manager or agency representative is responsible for submitting proposed projects that are to be included in the Capital Improvements Program. During the exception year of a two-year budget (even-numbered years) departments should only submit the following:

- new projects that have not received funding in prior CIPs
- projects included in the adopted CIP that have changed in a significant way (such as change in dollar amount requested, change in year of anticipated expenditure, change in project description and/or design).

If a project is to be dropped from the program without construction or purchase, then a written request to eliminate the project should be submitted. The elimination request should include the reasons the project is to be dropped.

**All capital projects are to be submitted on one of the attached forms.**

#### PROJECT REVIEW

A. Capital Projects: All requests for Capital Projects will be evaluated by the following before being submitted to the Board of Supervisors:

1. Financial and Management Services
2. County Administration
3. Policy Committee of the Planning Commission
4. Planning Commission

After the projects have been submitted by the department manager and reviewed by FMS, the County Administrator, and the Policy Committee, a proposed five-year Capital Improvements Program will be submitted to the Planning Commission. The Planning Commission will review the Capital Improvements Program and make a recommendation to the Board of Supervisors.

B. Capital Maintenance Projects: All requests for Capital Maintenance Projects will be evaluated by the following before being submitted to the Board of Supervisors:

1. Financial and Management Services
2. County Administrator
3. Planning Commission

New or revised capital maintenance projects are due to FMS in January with the rest of the operating budget requests. The Policy Committee will not evaluate these projects. The County Administrator will forward a five-year Capital Improvements Program (which includes Capital Maintenance Projects and Capital Projects) along with his recommendations in the budget proposal he submits to the Board of Supervisors.

#### DIRECTIONS FOR THE CAPITAL IMPROVEMENTS PROGRAM REQUEST FORMS

The attached forms are used when a capital improvement program item is requested to be included in the County Budget. Please complete the CIP Project Request Form for Capital Projects or for Capital Maintenance Projects. The information on these forms will be used to evaluate and assign priorities to the requests. Since there is never enough money to do everything, some projects may be excluded in the first year Capital or Capital Maintenance Budgets or even in the five-year Capital Improvements Program. It is very important that you accurately and COMPLETELY fill out the forms and questionnaire to assure that your request will receive a fair review relative to other requests. If not completely filled out, forms will be returned to the applicant to complete missing information.

Please follow the directions and guidelines given.

## General Instructions

1. Read through the sections on definitions before you start to fill out the forms.
2. Please complete ALL sections of the CIP request forms. Contact the Planning Division if you have any questions related to the Checklist on pages 2-4 of the application. Contact FMS if you have any other questions or require assistance.
3. All projects must be identified separately, and the applicable forms completed for each one. For example, for water system improvements, each waterline should be considered a separate project.
4. Round figures off to the nearest thousand dollars. Please enter the numbers in thousands of dollars; that is, leave off the last three zeros of each figure.
5. Express all numbers in Current Year dollars.
6. If any feasibility or locational studies have been completed in association with a submitted project, please submit copies as an attachment to the application.
7. If a location map would help us understand the project and its relationship to other projects, please include map.
8. If you need more space than provided on the form, attach additional sheets. If additional information not requested would be helpful in understanding the project, please provide additional information.
9. **Incomplete applications or project requests not accompanied by an application will not be accepted and will be returned to the submitting department to revise.**

## CIP PROJECT FORM INSTRUCTIONS

The CIP Project Form presents all the basic information required for each individual project to be considered.

1. **CHECK BOXES:** Check whether project qualifies as Capital Project or Capital Maintenance (see earlier definitions)
2. **PROJECT TITLE:** Insert name of proposed project. Example: Police Building
3. **LOCATION:** Suggested location of proposed project. If the purchased item, equipment or constructed facility will remain at a physical address, provide the address and existing facility name if known. If site selection is required, provide details in the space provided.
4. **DATE and DEPARTMENT/DIVISION:** Insert date the application is submitted and the department submitting request. Example: JCSA.
5. **EMPLOYEE SUBMITTING REQUEST:** Insert name of individual preparing form.
6. **INCLUDED IN ADOPTED CIP:** Check whether this project has already been adopted in a previous CIP budget.
7. **DEPARTMENT PRIORITY NUMBER:** Please rank your department's projects from high to low. Example, 1 is the highest priority; 5 is a lower priority.
8. **OUT OF HOW MANY SUBMITTALS:** Enter the total number of Capital Budget or Capital Maintenance items your department is submitting.
9. **PROPOSED SCHEDULE/COST:** Complete each blank requested. Dollar amounts should be in Current Year dollars. Please remember to enter the numbers in thousands of dollars; that is, leave off the last three zeros of each figure and use Current Year dollars. If you have any questions, please contact FMS.
  - a. Please enter the proposed starting and ending dates for construction.
  - b. **Useful Life of Facility/Equipment:** How long is facility or equipment anticipated to be used for?
  - c. **Design/Engineering Cost:** Include any design and engineering costs, including feasibility studies, preparation of site plans or building plans and pre-development studies (such as natural resources or archaeological studies).
  - d. **Construction/Equipment Cost:** Include cost to purchase land, build and equip/furnish the proposed project.
  - e. **Previous Funding:** Amount funded previously through CIP or other means and in what year the funding was received.
  - f. Enter the amounts requested over the next five years in the capital budget, what the estimated operating budget expenses will be annually (such as maintenance, staffing and future capital outlay like furnishings and technology that are not planned for installation with initial construction), and how much revenue is anticipated to be generated by the proposed project annually.

10. PROJECT NARRATIVE: Briefly give a detailed explanation of the project that responds to the questions posed on the application. Indicate whether the project is to replace existing facilities and land or is an addition involving an increase in service delivery. A description of buildings or land acquisition projects should include function, dimensions, overall characteristics, unusual conditions, and any other pertinent information. Indicate the need for the project and what it is expected to accomplish. Describe its relationship to local, regional, state and federal policies and plans, as well as the requesting department's own multiyear plans and program. Specific County/Department Goals and Objectives should be cited. Indicate any alternative that might meet the needs indicated for your proposed projects. Indicate what the impact would be on services if the projects were not funded. In addition, if the project is located or serves areas outside the Primary Service Area, clear justification is especially critical. Please include the operating costs for the current equipment or facility as compared to the cost of proposal. For example, the existing building requires frequent electrical repairs and heating and cooling costs are excessive (quantify \$\$). A new building would realize operating savings within XX years of completion. Another example would be duplication of efforts with existing software and new software would result in fewer man hours and decreased labor costs.

11. EVALUATION QUESTIONS: These questions were developed by the Policy Committee of the Planning Commission to aid in priority rankings. Please note: the Policy Committee may request the Department/Division Manager attendance at an evaluation meeting if questions are incomplete or additional information is needed.

Please check the "Yes" or "No" box in response to each. If the question is not applicable to your request, please check the "No" box. Enter additional information that supports or further explains your answer in the Comments/Supporting Details box. For example: If outside funding is being used, specify the type (grant, developer, etc) and who the partnership is with (VDOT, York County, etc).

12. SIGNATURES: The application must be signed by both the Department Manager and the County Administrator/CEO. Please contact FMS if you have questions.