

# **Procedure for Policy 710 (1): Capital Improvement Projects (CIP) Plan Development Process**

(rev. February 2017 - Process Owner: Chief Business & Finance Officer)

## **I. WHAT:**

- A. A **Capital Improvement Project** is a project that helps maintain or improve a District fixed asset, often called infrastructure. To be included in the Capital Improvement Projects Plan and/or Budget, a project must meet ONE of the following requirements:

- ☐ It is new construction, expansion, renovation, improvement, or replacement project for an existing facility or facilities. The project must have a total cost of at least \$5,000 over the life of the project. - OR -
- ☐ It is a purchase of major equipment (asset) necessary for maintenance of fixed assets costing \$5,000 or more with a useful life of at least 5 years. - OR -
- ☐ It is a major maintenance or rehabilitation project for existing facilities with a cost of \$5,000 or more and an economic life of at least 5 years. - OR -
- ☐ It is for the purchase, improvement and development of grounds or fields. -OR-
- ☐ It is for paved surfaces construction, reconstruction, resurfacing or renovation of grounds.

A **Capital Improvement Project** is not vehicles, furniture, decorative painting, ongoing preventative maintenance, or other improvements to be included in other disaggregated areas of the District Budget.

- B. A **Capital Improvements Projects (CIP) Plan** is composed of two parts -- a budget and a capital improvement projects program.

1. The **capital projects annual budget** is the upcoming year's spending plan for capital improvement items as defined above
2. The **capital projects program** is a plan for capital expenditures that extends ten years beyond the annual capital budget. Development of a CIP Plan that will insure sound fiscal and capital planning requires effective leadership and the involvement and cooperation of all departments.

## **II. WHY:**

A complete, properly developed CIP Plan has the following benefits:

- Facilitates coordination between capital needs and the operating budgets.
- Identifies the most economical means of financing capital projects.
- Increases opportunities for obtaining federal and state aid.
- Focuses attention on community objectives and fiscal capacity.
- Keeps the public informed about future needs and projects.
- Encourages careful project planning and design to avoid costly mistakes and help a community reach desired goals.

### III. CIP PLAN DEVELOPMENT PROCESS:

#	Frequency	Who	What	Deadline
1	Annually	SB	Adopt a 10 year <b>Capital Projects Program</b> and corresponding <b>Capital Projects Annual Budget</b> . This serves as the school district's " <b>Official Capital Improvements Projects (CIP) Plan</b> "	April 30
2	Annually	BGM SLT	Review the criteria that will be used to evaluate and prioritize recommendations for additions to the CIP Plan ( <i>Section IV of this Procedure below</i> )	End, Q1
3	Quarterly	BGM	Update a <b>running CIP Plan</b> which shall include the <b>Official Capital Improvements Projects (CIP) Plan</b> plus a record of all open and completed projects and any input items received during the School Readiness Check-In meetings held in August and/or other emergent issues.	End, Q1 End, Sem1 End, Q3 End, Sem 2
4	As needed Annually	P	Principals should annually prepare the form entitled: <a href="#"><u>PFP 710 (2-form)</u></a> , the <i>CIP Request Form</i> , as concerns arise, ensuring all projects are submitted before the August School Readiness Check-In meetings.	July 31st
5	Quarterly	BGM SLT	Quarterly, the Director of Buildings and Grounds will provide a report/update to the Senior Leader's Team on the <b>running CIP Plan</b> .	End, Q1 End, Sem1 End, Q3 End, Sem 2
6	Annually	BGM	Each year, the Director of Buildings and Grounds will distribute <b>running CIP Plan</b> to respective Principals/Building Custodians, Maintenance & Grounds, IT Director, Athletic Director, Food Service Director, and the Senior Leader's Team for consideration.	September 1
7	Annually	BGM	No later than September 30th of each year, schedule follow up review/input meetings with those individuals noted in step 6.	September 30
8	Annually	BGM	No later than October 31st of each year. Meet with those noted in step 6 to review respective <b>running CIP Plan</b> for inputs of new CIP items to be added to the <b>running CIP Plan</b> , to discuss any item on the current <b>running CIP Plan</b> for consideration of removing, and to establish individual school priority of recommended CIP items for the upcoming school year.	October 31
9	Annually	BGM	By December 31st of each year, establish budget estimates for any newly recommended CIP items.	December 31
10	Annually	BGM CBFO	Working with the CBFO, by January 15th of each year, develop <b>District wide CIP proposed Plan</b> for the upcoming school year and the following 9 years.	January 15

11	Annually	BGM P	By January 31st of each year, meet with Principals and all other administrative stakeholders identified in step 4 to review the <b><i>District wide CIP proposed Plan</i></b> and elicit feedback.	January 31
12	Annually	BGM CBFO	By February 14th of each year, using feedback from stakeholders, working with the CBFO, to improve <b><i>District wide CIP proposed Plan</i></b> for the upcoming school year and the following 9 years.	February 14
13	Annually	BGM SLT	Present <b><i>District wide CIP proposed Plan</i></b> to the Senior Leaders Team for review and inputs	February 28
14	Annually	BGM SLT SB	Present recommended CIP at BOE Committee meeting for review/discussion.	March
15	Annually	SB	BOE Business meeting for approval.	March
16	Annually	BGM CBFO	By the end of April, input all necessary budget documents using appropriate account codes and enter entire budget into a spreadsheet following directions in <a href="#">Procedure for Policy 620 (1): Budget Development Process</a>	April 30

SB= School Board

SLT = Senior Leaders Team

BGM = Director of Building & Grounds

P = Principals

CBFO = Chief Business and Finance Officer

#### IV. **CRITERIA:**

The **Capital Improvements Projects (CIP) Plan** is based on an extensive prioritization process. Projects are prioritized based on District critical objectives and strategies, the Strategic Plan, and Board of Education priorities, and anticipated funding sources. Projects are prioritized and vetted by the Director of Buildings and Grounds, presented for secondary review to the Chief Business and Finance Officer, then for tertiary review to the Senior Leaders Team.

The following Criteria will be used for evaluation:

### **Criteria #1 – School Board Adopted Strategic Vision and/or Priorities**

How does the project help meet the goals of the School Board Strategic Vision and/or the School Board Priorities?

Scoring

5 Project meets the goals of the School Board Strategic Vision and/or Priorities

3 Project indirectly or partially meets the goals of the School Board Strategic Vision and/or Priorities

0 Project does not meet the goals of the School Board Strategic Vision and/or Priorities

### **Criteria #2 – Health and Safety**

How does the project eliminate or prevent an existing health, environmental, or safety hazard?

Scoring

5 Project completely eliminates or prevents an existing health, environmental, or safety hazard.

3 Project partially eliminates or prevents an existing health, environmental, or safety hazard.

0 Project does not eliminate or prevent an existing health, environmental, or safety hazard.

### **Criteria #3 – Infrastructure Investment/Protection**

How does the project protect and preserve the School District's infrastructure?

Scoring

5 The project improves and / or protects the School District's infrastructure.

3 The project maintains the School District's infrastructure.

0 The project does not protect or preserve the School District's infrastructure.

### **Criteria #4 – Impact on School District's Operational Finances/Revenue Generation**

Explain how the project will have a positive, neutral, or negative impact on the School District's operational Finances.

Scoring

5 The project will result in a positive net impact on School District finances.

3 The project will result in a neutral net impact on School District finances.

0 The project will result in a negative net impact on School District finances.

### **Criteria #5 – Environmental Sustainability**

How does the majority of the project support the School District's environmental sustainability?

Scoring

5 Project directly meets the School District's environmental sustainability efforts.

3 Project contributes to the School District's environmental sustainability efforts.

0 Project neither fulfills a requirement nor does it contribute to the School District's environmental sustainability efforts.

### **Criteria #6 – Ties Into Other Projects/Organizations**

Does the project tie into other existing or proposed District Capital Improvement Projects.

Scoring

5 The project ties into another existing project(s) or the project will be done in partnership with another non-district organization

0 The project does not tie into another existing project and will not be done in partnership with another non-district organization.

**Criteria #7 - Capital Costs** – These represent the annual total costs, including future year capital costs. Also to be considered is whether the proposed project will reduce future capital costs, for example, a rehabilitation project that averts a more expensive, subsequent replacement, and the extent of such savings.

Scoring

5 Lower future capital costs

3 Higher future capital costs

0 No impact

**Criteria #8 - Annual Costs** - The expected change in operation and maintenance costs.

Operating departments provide year-by-year estimates of the additional costs or reductions likely in the operating budget because of the new project. Also to be considered is changes in revenues, which may be affected by a project.

Scoring

5 Lower operating costs/Higher source of revenues/Increases in productivity or opportunity

3 Higher operating costs/Lower source of revenues

0 No impact

**Criteria #9 - Aesthetic, and Social Effects** - A catch-all criterion for other significant quality-of-life related impacts, this includes appearance, changes in recreational opportunities, etc.

Scoring

- 5 Improve quality of life for students
- 3 Improves community appearance
- 0 No Impact

**Criteria #10 - Feasibility of Implementation** – This element is a measure of (a) special implementation problems (e.g., physical or engineering restraints) and (b) compatibility with the general direction of the District.

Scoring

- 5 Feasibility of implementation is manageable
- 3 Feasibility of implementation presents special implementation challenges
- 0 Project is dependent on the actions of another agency or organization

**Criteria #11 - Implication of Deferring the Project** - Deferring capital projects requires an estimate of the possible effects, such as higher future costs and inconvenience.

Scoring

- 5 Deferral of the capital project will significantly increase the cost of the project
- 3 Deferral of the capital project will significantly increase the inconvenience to employees, students, community members of not completing the project
- 0 Deferral of the capital project will have little or no effect

**After all proposed projects are prioritized using these eleven criteria, the list will be reviewed from two more viewpoints:**

- A. Does the list stand an “intuitive check?” Do projects fall in the priority order that was “anticipated?” and
- B. Are there any linkages between projects? Are any projects related to each other geographically, or otherwise, such that having them accomplished concurrently would be advantageous? Are any projects related to educational adequacy, or opportunities at other sites? What about sequencing or timing? Are any projects dependent on the completion of other projects? Adjustments to the priority list may be necessary dependent on this final review.