

**Joint Capital Improvement Program Process**

1. **Joint CIP Process Flow Chart**
2. **CIP Budget Calendar**
3. **Review Process for Joint County/School CIP**
4. **Capital Improvement Program Project Evaluation**
5. **Project Scoring Guide**
6. **Proposed Next Steps**

FINAL DRAFT

## **CIP Budget Calendar**

### **April – June**

- Development, review and revision to standards, metrics, studies, and methodologies for justifying capital improvement requests

### **June**

- Post CIP Instructions and Forms

### **July**

- CIP Process Overview/Q & A (Attendance Optional)

### **August**

- All requests for Department, Agency, and School Project Justifications & Cost Data Due
- Department of Finance and Budget (DFB) begins review with assistance from PW and PRCF
- School system submits confirmation/adjustments based on any final review by School Board

### **September**

- PW/PRCF Sends Updates, Revisions, and Comments to DFB for Department and Agency Project Requests
- In one or more sessions, CIP Representatives from all Departments, Agencies, and Schools will meet with DFB to review submittals

### **October**

- CIP Project Requests Sent to the CIP Technical Review Committee (TRC)
- TRC Meetings – Review and begin ranking of project requests
- Departments, Agencies, and Schools Respond to TRC Questions and Comments
- TRC Meeting – Review project ranking, available revenues, and finalize recommendation

### **November**

- CIP Project Requests and TRC Recommendations sent to CIP Oversight Committee (Joint FAB?)
- Meeting #1 - CIP Oversight Committee Meeting (CIP Projects Overview and Project Review )
- Meeting #2 - CIP Oversight Committee Meeting (CIP Revenues Overview, Project Review and Finalize Recommendations)
- Meeting #3 - CIP Oversight Committee Meeting (if needed)

### **December**

- Joint Meeting of Board of Supervisors and School Board to Review CIP Recommendations
- Final Recommended CIP Document Prepared and send to County Administrator for consideration in the recommended budget

### **January**

- County Administrator review of recommended CIP based on final review of revenues and finance policies

### **February**

- County Administrator's Recommended Budget & CIP presented to Board of Supervisors

### **March**

- Board/FAB CIP Work Session
- Public Hearing on the Proposed Operating and Capital Budgets and CIP

**April**

- BOS Adopts Operating and Capital Budgets & CIP

FINAL DRAFT

## Review Process for Joint County/Schools CIP

Capital Improvement Projects are generally broken into two main categories; large projects such as new infrastructure or major renovations, and small projects such as repair, replacement and rehabilitation (3R). It is important to consider these two categories separately to ensure adequate resources are allotted to maintain existing infrastructure and facilities. The intent of this policy and process is to apply only to major projects and not 3R projects. Review of the 3R projects, including project criteria, standards and funding, will be considered in the future.

### 1) **Basis and Justification for Capital Project Submissions**

Capital project submissions should be based on standards, comparisons, metrics, methodologies and objective study to the greatest extent possible to justify the need and timing for capital improvements. Examples of this justification include:

- a) Comprehensive Plan – Public Facilities Plan Standards
- b) School capacity projections
- c) Vehicle and apparatus replacement criteria
- d) Facility maintenance and replacement needs assessments
- e) Standards/metrics for maintenance & replacement (infrastructure) need and timing
- f) Long range space studies, facility master planning, etc.
- g) Strategic plans, special studies and service plans

### 2) **Initial Staff Review**

DFB staff compiles the submitted project requests and verifies the accuracy of the anticipated project costs and operating impact. The requests are extensively reviewed by the County Public Works Department (PW) and, Department of Parks, Recreation and Community Facilities (PRCF) and appropriate school divisions to verify the accuracy, adequacy and completeness of project descriptions, project cost, and funding requests. The Capital Improvement Program review schedule provides for a four week review period for any project in the CIP requiring construction. However, departments and agencies are encouraged to consult with PW and PRCF as early as possible in the capital planning cycle regarding the engineering requirements for new projects under consideration or being proposed for the capital plan, and for any revisions to existing projects. Consultation should continue throughout the CIP preparation and review process.

### 3) **Technical Review Committee (TRC)**

The TRC ranks the projects based on established criteria. The ranking process allows projects to be added in a systematic, objective manner. Available revenues, the Board's Guiding Principles and Priorities, and financial policies guide project inclusion in the Capital Improvement Program. The Technical Review Committee reports its recommendations to the Oversight Committee.

#### a) **TRC Charge:**

The Capital Program Technical Review Committee will assist the County in the Capital Program process by assuring that the technical aspects and costs of each of the requested projects have been well researched and documented. The team will also review, evaluate and document the need for each project and make recommendations for priority funding based on the established Capital Project Evaluation Criteria (Attachment\_\_\_\_\_). The Capital Program Technical Review Committee will report their recommendations to the County Administrator and the Capital Program "Oversight Committee."

#### b) **Technical Review Committee Member Responsibilities:**

- i) Review all project requests for clarity, accuracy and appropriate timing;
- ii) Meet with project submitters to clarify requests and propose revisions, if needed;

- iii) Rank requested projects based on established evaluation criteria;
- iv) Review available revenues and debt service requirements for project requests based on approved County financial policies;
- v) Prioritize projects based on their ranking and available revenues;
- vi) Together with the DFB develop a recommended CIP based on revenue projections provided by DFB;
- vii) Forward the joint recommendation to the Capital Program Oversight Committee for its review.

**c) Technical Review Committee Members:**

- i) County Budget Director, Department of Finance and Budget (Member/Facilitator)
  - ii) Title - Senior Project Management staff, Department of Public Works
  - iii) Title - Senior Planning staff, Department of Planning & Zoning
  - iv) Title - Senior Project Management staff, Stafford County Schools
  - v) Title – Planning/Budget/Finance staff, Stafford County Schools
- \*Other possible members or resources for the committee: Public Safety Representative; County and School Facilities staff
- \*Support staff: Budget staff/analyst, Department of Finance and Budget

**4) Board of Supervisors/School Board Initial Policy Review**

Just prior to the Oversight Committee’s Review, the two Boards (the Board of Supervisors and the School Board) review the project requests and initial financial forecast provided by the TRC. This initial review provides the Boards an opportunity to provide feedback to its respective members serving on the Oversight Committee.

**5) Oversight Committee Review**

The Oversight Committee reviews the Technical Review Committee’s ranking and Capital Program recommendation adjusting the projects as necessary. The Oversight Committee provides a recommended CIP to the County Administrator and reviews the recommendation with the Board of Supervisors and School Board at a joint meeting in December of each year.

- a) **Oversight Committee Charge:** “The Capital Improvement Program (Capital Program) is the planning guide for County expenditures for major capital facilities and equipment and includes a ten-year approved Capital Improvement Plan (CIP) balanced to revenues. The Capital Program Oversight Committee will assist the County in the Capital Program process by reviewing and evaluating the recommended Capital Improvement Program brought forward by the Technical Review Committee. The Committee will assure that the proposed Capital projects are aligned with County policies, established priorities, guiding principles and long term vision. The Committee will also assure that the recommended ten-year CIP is aligned with approved financial policies and that the County’s financial stability is maintained through the prudent use of its revenues. The Capital Program Oversight Committee will report its recommendations directly to the County Administrator as a part of preparation for the annual budget recommendation to the Board of Supervisors.
- b) **Oversight Committee Member Responsibilities:**
  - i) Review the recommended Capital Improvement Program presented by the Technical Review Committee;
  - ii) Ensure that the proposed project ranking is properly and consistently applied;
  - iii) Propose modifications/improvements to the project ranking system;
  - iv) Ensure that all Capital projects carry out the County’s long-range goals and objectives;

- v) Ensure that the recommended ten-year CIP addresses County needs through the proper timing, prioritization and balance of local government and school division projects;
  - vi) Ensure that County revenues are used wisely to address the County's capital needs and that the recommended CIP conforms to approved financial policies, including the use of on-going revenues and borrowed funds;
  - vii) Propose revisions or adjustments to the ten-year CIP proposed by the Capital Program Technical Review Committee, if needed;
  - viii) Submit a recommended CIP to the County Administrator with any documented revisions to the plan submitted by the Technical Review Committee.
- c) **Oversight Committee Members:**
- i) Members of the Board of Supervisors' Finance, Audit and Budget Committee (FAB)
  - ii) Members of the School Board Finance, Audit and Budget Committee (FAB)
  - iii) 1 Member of the Planning Commission,
  - iv) 1 Citizen Representative.
  - v) County Staff Support includes: 2 Deputy County Administrators, Deputy Superintendent, the Director of Finance and Budget (Facilitator)

#### **6) Final Recommendation and Approval of the Capital Improvement Program**

The County Administrator will consider the recommendation of the Oversight Committee as part of the overall consideration in recommending a proposed budget to the Board of Supervisors which considers available revenues and adherence to County financial policies, parameters and goals. The County Administrator's Recommended Capital Improvement Program is reviewed and considered by the Board of Supervisors and subsequently approved, along with the annual Capital Budget for projects to be funded in the upcoming fiscal year.

## Capital Improvement Program Project Evaluation

Project evaluation criteria have been established and are used by the committees to review and evaluate all capital projects and their cost estimates. All CIP projects are evaluated against various factors which the submitting department/agency is asked to address on each of the applicable CIP Forms, such as the Project Request Form, the basis of cost estimates provided on the Project Cost Summary Form, and the several project cost detail forms, all of which are fully described in the instructions.

### Project Ranking Criteria for Large Projects

All submitted or proposed Capital Improvement Projects will be subject to ranking in accordance with the criteria and scoring system below. Areas of emphasis will include the following 10 categories:

- 1) Health and Safety (15%)
- 2) Education (15%)
- 3) Regulatory Compliance (10%)
- 4) Quality of Life (10%)
- 5) Infrastructure (10%)
- 6) Sustainability/Energy Efficiency (10%)
- 7) Economic/Community Development (10%)
- 8) Special Considerations (10%)
- 9) Impact on Operational Budget (5%)
- 10) Timing/Location (5%)

Each project will be evaluated against each area of emphasis and scored on a scale of 1 through 4 based on the degree to which the project addresses the attributes of the particular area of emphasis.

Descriptions of each area of emphasis and the attributes or considerations that will determine the score are as follows:

#### 1) Health and Safety (15%)

Health and safety typically involves such things as fire service, police service, emergency response and communications, safe roads, public health, and flood control, as examples. A health clinic, fire station or police station would directly impact the health and safety of citizens, thus scoring high in this category. Similarly, safety improvements in a school or public building might score points in this category while adding concession stands to an existing facility would probably not. Considerations would include the following:

- a) Is the project in conformance with and supportive of the goals, objectives and strategies of the Comprehensive Plan?
- b) Is the project supported by County sponsored service plans, master plans, strategic plans or special studies?
- c) Does the project relate to the results of the citizen survey, Board of Supervisors policy, or appointed committee or board?
- d) Does the project directly reduce risks to people or property (i.e. flood control)?
- e) Does the project directly promote improved health or safety?
- f) Does the project mitigate an immediate risk?

#### 2) Education (15%)

This category relates to education and learning. New facilities, renovations or technologies that create or enhance educational opportunities are included in this category. Items addressed would also include major renovations or facility maintenance improvements to preserve assets or upgrade school or other educational facilities. Finally, this category would also include technological upgrades or improvements and facility improvements designed to improve or enhance the learning environment. A project to add a classroom wing to replace temporary trailer facilities at a public school would score high in this category. Considerations in establishing the score include:

- a) Is the project in conformance with and supportive of the goals, objectives and strategies of the Comprehensive Plan?
- b) Is the project supported by School Board sponsored service plans, strategic plans or special studies?
- c) Is the project supported by special surveys or community input?
- d) Does the project address an immediate and necessary space need?
- e) Does the project accommodate an essential program, or is it a program enhancement?
- f) Is the project mandated?
- g) Is the project intended to bring parity and consistency among similar facilities?

### **3) Regulatory Compliance (10%)**

This criterion includes regulatory mandates such as courts, prisons, schools, storm water/creek flooding problems, ADA, etc. The score will be based on considerations such as:

- a) Does the project address a legislative, regulatory or court-ordered mandate (0 – 5 years)?
- b) Will the future project impact foreseeable regulatory issues (5 – 10 years)?
- c) Does the project promote long-term regulatory compliance (>10 yrs)?
- d) Will there be serious negative impact on the County if compliance is not achieved?
- e) Are there other ways to mitigate the regulatory concern?

### **4) Quality of Life (10%)**

Quality of Life is a characteristic that makes the County a desirable place to live and work. For example, public parks, libraries, schools, multi-use trails, open space, and preservation of community character enhance the quality of life for citizens. A County maintenance building is an example of a project that may not directly affect the citizen's quality of life. The score will be based on the following attributes or considerations:

- a) Is the project in conformance with and supportive of the goals, objectives and strategies of the Comprehensive Plan?
- b) Is the project supported by County sponsored service plans, master plans, strategic plans or special studies?
- c) Does the project relate to the results of the citizen survey, Board of Supervisors policy, or appointed committee or board?
- d) Does the project increase or enhance educational opportunities for County citizens generally?
- e) Does the project increase or enhance recreational opportunities and/or green space?
- f) Does the project target the quality of life of all citizens or does it target one demographic? Is one population affected positively and another negatively?
- g) Does the project preserve or improve the historical or natural heritage of the County?
- h) Does the project affect traffic positively or negatively?

- i) Does the project improve, mitigate and or prevent degradation of environmental quality (e.g. water quality, improve or reduce pollution including noise and/or light pollution)?

### **5) Infrastructure (10%)**

This element relates to basic or core infrastructure needs of the County. Typical projects in this category would include utility/service infrastructure such as storm water systems, underground utilities, sidewalks, streets/transportation facilities, broadband or wireless communication systems, streetscapes, and County service facilities. Buildings would also be included to the extent they address a basic functional need of the County. Constructing a facility in excess of facility or service standards would score low in this category. The score will be based on the following attributes or considerations:

- a) Is the project in conformance with and supportive of the goals, objectives and strategies of the Comprehensive Plan?
- b) Is the project supported by County sponsored service plans, master plans, strategic plans or special studies?
- c) Does the project relate to the results of the citizen survey, Board of Supervisors policy, or appointed committee or board?
- d) Is there a facility being replaced that has exceeded its useful life and to what extent?
- e) Do resources spent on maintenance of an existing facility justify replacement?
- f) Does this replace an outdated system?
- g) Does the facility/system represent new technology that will provide enhance service?
- h) Does the project extend service for desired growth?

### **6) Sustainability/Energy Efficiency (10%)**

This criterion relates to the Board's objective to build in a sustainable and energy efficient manner. Projects in this category will be those that directly involve energy savings, **LEED certification or reduced carbon emissions**. A project that directly reduces energy use or achieves **silver LEED certification** would score high in this category; a project that involves negative impacts to the environment or an increase in the **carbon footprint** will score low. Consideration in this area of emphasis would include:

- a) Will the project result in a reduction or increase in energy use?
- b) Does the project involve specific energy reduction strategies or features?
- c) Will the project achieve **LEED certification**?
- d) Will the project have a long-term positive impact on the environment?
- e) Will the project negatively impact the environment?
- f) Is there a reasonable payback period for the project's investment?
- g) Is the project designed to promote or encourage sustainable development?

### **7) Economic/Community Development (10%)**

Economic/community development considerations relate to projects that foster the development, re- development or expansion of a diversified business/industrial base or designated growth area. Projects that will help create jobs and generate a positive financial contribution to the County would be included in this category, as would a new park or streetscape project in a targeted growth area. Providing the needed infrastructure to encourage redevelopment of a shopping center would score high in this category. Reconstructing a storm drain line through a residential neighborhood would likely score low

in the economic development category. The score will be based on the following attributes or considerations:

- a) Is the project in conformance with and supportive of the goals, objectives and strategies of the Comprehensive Plan?
- b) Is the project supported by County sponsored service plans, master plans, strategic plans or special studies?
- c) Does the project relate to the results of the citizen survey, Board of Supervisors policy, or appointed committee or board?
- d) Does the project have the potential to promote economic/community development in areas where growth is desired?
- e) Will the project continue to promote or enhance economic/community development in an already developed area?
- f) Is the net impact of the project positive (total projected tax revenues of economic/community development less costs of providing services)?
- g) Will the project produce desirable jobs in the County?
- h) Will the project rejuvenate an area that needs assistance?

#### **8) Special Considerations (10%)**

This area of emphasis relates to projects that because of special circumstances or emergencies must be undertaken immediately or in the very near future. Projects scoring high in this category must demonstrate an immediate mandate or hazard that cannot be ignored. Considerations pertinent to this category include:

- a) Is there an immediate legislative, regulatory or judicial mandate, which, if unmet, will result in serious detriment to the County, and there is no alternative to the project?
- b) Is the project required to protect against an immediate and significant health, safety or general welfare hazard/threat to the County?
- c) Is there a significant external funding source that can only be used for this project and/or which will be lost if not used immediately (e.g. proffers, grants through various federal or state initiatives, and private donations)?

Note: It's possible that certain projects in this category will be of such urgency or importance that they will receive priority funding regardless of the overall score.

#### **9) Impact on Operational Budget (5%)**

Some projects may affect the operating budget for the next few years or for the life of the facility. A fire station or library must be staffed and supplied; therefore these projects have an impact on the operational budgets for the life of the facility. Replacing a storm water line will not require any additional resources from the operational budget. The score will be based on considerations such as:

- a) Is the project in conformance with and supportive of the goals, objectives and strategies of the Comprehensive Plan?
- b) Is the project supported by County sponsored service plans, master plans, strategic plans or special studies?
- c) Does the project relate to the results of the citizen survey, Board of Supervisors policy, or appointed committee or board?
- d) Will the facility require additional personnel to operate?
- e) Will the project lead to a reduction in personnel or maintenance costs or increased productivity?
- f) Will the facility require significant annual maintenance?

- g) Will the new facility require additional equipment not included in the project budget?
- h) Will the new facility reduce time and resources of County or School staff maintaining current outdated systems?
- i) Will the efficiency of the project save money?
- j) Is there a revenue generating opportunity (e.g. user fees)?
- k) Does the project minimize life-cycle costs?

### **10) Timing/Location (5%)**

Timing and location are important aspects of a project. If the project is not needed for many years it would score low in this category. If the project is close in proximity to many other projects and/or if a project may need to be completed before another one can be started it would score high in this category. The score will be based on the following considerations:

- a) Is the project in conformance with and supportive of the goals, objectives and strategies of the Comprehensive Plan?
- b) Is the project supported by County sponsored service plans, master plans, strategic plans or special studies?
- c) Does the project relate to the results of the citizen survey, Board of Supervisors policy, or appointed committee or board
- d) When is the project needed?
- e) Do other projects require this one to be finished first?
- f) Does the project require others to be completed first? If so, what is the magnitude of potential delays?
- g) Can this project be done in conjunction with other projects?
- h) Will it be more economical to multiple projects together?
- i) Will it help in reducing repeated neighborhood disruptions?
- j) Will there be a negative impact of the construction and if so, can this be mitigated?
- k) Are there inter-jurisdictional considerations?
- l) Does the project use an existing County-owned or controlled site or facility?
- m) Will delay of the project result in significantly higher construction costs in the future?
- n) Does the project involve external funding or partnership where funds will be lost if not constructed?

### **Proposed Next Steps**

1. **March-April** - Development of 'Final Draft' by County and School staff based on Joint Working Group feedback on 3/21
2. **April** - Joint Working Group consideration of "Final Draft"

3. **May** - Joint FAB consideration of Working Group recommendation
4. **June** - Review and consideration of Joint FAB recommendations; Board of Supervisor's final approval of Joint CIP Process

FINAL DRAFT