



Administrative Manual of Operating Procedures

Procedure #: 03.08	Procedure Title: Capital Improvement Budget Request and 5-Year Capital Improvement Plan		Revision #: 2.0
Original Issue Date: 07/09/2018	Revised Issue Date: 02/04/2021	Next Review Date: 02/04/2023	Responsible Department: DAS-PSB
Statutory References: Wis. Stat. §§ 59.60(2)(b); 59.60(5)		Ordinance References: MCO 1.24; 32.81; 36.04(a)	
Appendices: Appendix B – 03.08 LMS Training PowerPoint Appendix C – 03.08 Flowchart		Forms: *All forms included in each department’s SharePoint folder on Capital and IT Budget Request SharePoint Site Form 03.08(a) – Capital and IT Request Form Form 03.08(b) – 5-YR Capital Improvement Plan (CIP) Form Form 03.08(c) – Racial Equity Form	

1. OBJECTIVE:

To establish County procedures for submitting a Capital Improvement Project Budget Request and 5-Year Capital Improvement Plan.

2. DEFINITIONS:

- A. Capital Budget. A plan for capital expenditures and revenue for projects to be included during the first year of a department’s 5-Year Capital Improvement Plan.
- B. Capital Project. Refers to non-recurring construction, renovation, improvement, vehicle/equipment acquisition(s), and major technology software/hardware projects that meet the following criteria:
 - i. Capital costs are greater than or equal to \$100,000 and have a useful life greater than 1 year;
 - ii. Project address core facilities and/or infrastructure needs; and
 - iii. Project address major deferred maintenance and/or life-safety issues.
- C. CBC. Capital Budget Coordinator position within the Office of Performance, Strategy and Budget.
- D. County Facilities Planning Steering Committee (CFPSC). An advisory committee which leads the total lifecycle planning for all Milwaukee County real property as the Portfolio Manager. CFPSC has preliminary approval authority for non-technology and non-vehicular related capital improvement projects (both of which are subject to CEX review and final approval). CFPSC presents an advisory report to the Capital Improvements Committee as part of the annual capital budget request cycle.
- E. Capital Improvements Committee (CIC). A Milwaukee County advisory committee with no budget approval authority that considers the construction and maintenance of capital projects. The CIC submits an annual report on recommended capital projects to the County Board of Supervisors and also to the County Executive. See Chapter 36 of the Milwaukee County Code of Ordinances.
- F. Cost Estimating Logs (A&E and IMSD). Located in the Capital SharePoint site, this excel file is used by A&E and IMSD staff to provide tracking of their cost estimate work for capital projects requested by departments (via the **Cost Estimate Request Form**).
- G. Deferred Major Maintenance. The postponement of normal replacement and/or repair activity for buildings, equipment, and other infrastructure (typically as a result of budgetary financial

- constraints) which results in repair and/or replacement costs greater than or equal to \$100,000.
- H. Operating Budget. A combination of known expenses, expected future costs, and forecasted revenue over the course of a year.
- I. SharePoint. An enterprise system application that allows for the development and submittal of online departmental requests (via the *Capital and IT Request Form; 5-Year Capital Improvement Form*) for capital improvement projects, small IT projects, and 5-Year Capital Improvement Plans. The annual capital budget request process uses the [Capital and IT Budget Request SharePoint Site](#) and is administered by the CBC. "SharePoint" within this document refers to the **Capital and IT Budget Request SharePoint Site**.
- J. 5-Year Capital Improvement Plan (5-YR CIP). A plan for future capital project expenditures. The multi-year plan serves as a roadmap for creating, maintaining and funding present and future infrastructure requirements. The Capital Program addresses needs relating to the acquisition, expansion, and rehabilitation of long-lived facilities, rolling stock, systems, and other major infrastructure. The CIP serves as a planning instrument to identify needed capital projects and coordinate the financing and timing of these improvements. **Capital projects identified in years two through five of the CIP are for planning purposes only and DO NOT maintain any budget appropriation(s)/authority (unless committed by the County through a legally binding instrument or federal/state mandate).**

3. OVERVIEW:

- A. County Departments have various capital and information technology needs. Department staff may submit requests to meet these needs each year, and those that pass various levels of approval are included in the County Executive's annual Recommended Capital Budget.

4. PROCEDURE:

- A. Determining Project Type
- Departments submitting a budget request identify whether the project is:
 - A new Capital Project request that meets the criteria in 2(C) above;
 - A Capital Project requested in a previous year's budget but not approved; or
 - An update to the department's 5-Year Capital Improvement Plan for an existing project.
- B. Section Requisite Forms (March – mid-April)¹
- The [Capital and IT Budget Request SharePoint](#) site houses all needed forms and submission instructions.
 - CBC notifies IMSD to allow for security rights/access to be turned on for requesting Departments. CBC must email the IMSD HELPDESK address to make this change (CBC does not have administrative rights to do this task).
 - A listing of the applicable Department leaders and staff is included on the Capital and IT Budget Request SharePoint Site.
 - The CBC sends an email to department leaders each year in the first week of March detailing the required forms, deadlines and specific submittal instructions. Additionally, the CBC sets up meetings with applicable Department staff to review the current year capital process, forms, instructions, and deadlines. Typically, the Departmental meetings are held within the

^{1,2,3} The exact April date(s) are included in the annual capital budget instructions/memo sent to requesting departments in March.

- first two weeks of March pending Departmental availability.
- a. For new projects, departments fill out the capital budget **Cost Estimate Request Form** and **5-Year Capital Improvement Plan Form** and submit to the SharePoint site.
 - b. For projects requested but not approved in a prior year, departments update last year's **Cost Estimate Request Form** and **5-Year Capital Improvement Plan Form** and submit to the SharePoint site.
 - c. For updates to existing projects (year 1 of the 5-Year CIP) as well as planned projects for years two (2) through five (5), departments update their **5-Year Capital Improvement Plan Form** and submit to the SharePoint site.
- iii. **Requesting Departments have until mid-April to submit Cost Estimate Request Form(s) to PSB for consideration.**² This includes both new (see section B(ii)(a) above) and updated Cost Estimates Request Form(s) (see section B(ii)(b) above). New requests include those wherein no Cost Estimate Request Form has been created in previous years. Updated requests are those that have been created during a previous year's capital budget request process (after March of that year) but were not ultimately adopted by the County Board as part of the annual budget process.
- a. Requesting Departments are strongly encouraged to not wait until the final week to submit Cost Estimate Request Forms. This will ensure that PSB, A&E, and IMSD are allowed enough time to review the requests.
- C. DAS Review Process (March – mid-April)³
- i. Various divisions within DAS conduct the initial review of submitted requests.
 - a. PSB (CBC) reviews all requests.
 - b. IMSD (IMSD Project Management Office Director & IMSD Unit Principals (*may be limited based on staffing capacity*)) conducts a preliminary review of IT Capital Projects.
 - c. A&E (A&E Director & A&E Unit Principals (*may be limited based on staffing capacity*)) conducts a preliminary review of real property Capital Projects.
 - ii. Various incomplete or unclear requests are sent back to departments for corrections (by PSB, IMSD, or A&E staff identified in sections C(i)(a),(b),(c) above). Departments submit the revised request on SharePoint (as outlined in the aforementioned March capital budget request memo to Departments and outlined again as part of the March CBC meetings with Departments).
 - iii. The requesting Department places any outstanding issues related to the project in an out-year of the 5-Year Capital Improvement Plan for consideration in future years.
 - iv. **Real Property Capital Projects with total cost estimates under \$100,000 will NOT be included in the Capital Budget. Departments may include these projects as part of their Operating Budget request.**⁴

⁴ Total project costs include all phases of the project from planning and design through construction/implementation.

I.) Meets the \$100k Capital threshold and can be included in your dept's capital budget request:							
	Year 1 BUD REQ	Year 2 BUD REQ	Year 3 BUD REQ	Years 1-3			
	Planning & Design/ Feasibility Study/ Requirements Gathering	ROW*	Construction/ Implementation	TOTAL Project Costs			
EXAMPLE 1: Bridge Replacement	\$89,000	+	\$0	+	\$445,000	=	\$534,000
EXAMPLE 2: Feasibility Study	\$125,000	+	\$0	+	\$0	=	\$125,000

II.) Under \$100k Capital threshold; place in your dept's operating budget request:							
	Year 1 BUD REQ	Year 2 BUD REQ	Year 3 BUD REQ	Years 1-3			
	Planning & Design/ Feasibility Study/ Requirements Gathering	ROW*	Construction/ Implementation	TOTAL Project Costs			
EXAMPLE 1: Roof Replacement	\$15,000	+	\$0	+	\$75,000	=	\$90,000
EXAMPLE 2: Feasibility Study	\$85,000	+	\$0	+	\$0	=	\$85,000

*ROW=Right of Way

- v. Completed requests adhering to sections C(i) through C(iv) above are input into the Cost Estimate Logs and the primary IMSD or A&E designee(s) are alerted via email (by the CBC).
 - a. The CBC enters the Project # and Title and alerts IMSD and A&E designees that the project is ready for a cost estimate.
 - b. IMSD and A&E designee(s) assign the capital project cost estimating items to their respective staff. Primary designee(s) and assigned A&E and IMSD cost estimating staff complete the Cost Estimate Logs.
 - vi. The CBC compiles the completed requests and cost estimates and then forwards to the appropriate committee(s) for review. Currently, these committees consist of the CFPSC (subject to change).
 - a. The committees may change from year to year pending DAS administrative actions and/or County Board policy changes. Additionally, such changes may occur during the annual capital request phase process. If such changes occur, the CBC will communicate and coordinate the changes to requesting Departments as soon as the information is available and made verifiable to the CBC.
- D. Committee(s) review Process (3rd Week in May – 1st Week in June)
- i. The CFPSC reviews and provides preliminary approvals/recommendations for non-IT projects.
 - a. Denied Capital Project requests (over \$100,000) are placed in an out-year of the 5-Year Capital Improvement Plan by the requesting department. The request can be resubmitted for consideration in the subsequent budget year.
- E. Approved Requests (Last Business Day of June - 1st Week of July)
- i. Departmental capital requests (as approved by their respective committee(s), if applicable)

- are submitted to PSB (CBC) **by the last business day of June.**⁵
- ii. Per Milwaukee County Ordinance Chapter 36, requests are also sent to the CIC. This committee is advisory only and has no budget approval authority. The CBC compiles capital requests and submits to the CIC during the first week of July.
 - iii. The CBC sends completed Departmental capital requests to the County Executive to begin the County Executive’s recommended phase of the capital budget process.
 - a. The SharePoint site write/edit access is closed (Departments can still access read-only versions of their requested files).
 1. CBC notifies IMSD to close security rights/access requesting Departments. CBC must email the IMSD HELPDESK address to make this change (CBC does not have administrative rights to do this task).
 - iv. The CBC makes hard-coded, protected copies of each requesting Department's 5-Year Plan file and saves on the [Capital and IT Budget Request SharePoint Site](#) under the *ZZZ_Depts Final REQs Archive* subfolder. This acts as the final/official record of the requesting department’s capital request for the annual budgeting process.
- F. County Executive Review (2nd Week of July – Last Business Day in September)
- i. There are limited resources available to address the Capital and IT projects needed throughout the County. Unfortunately, not all projects can be funded.
 - ii. Requests denied at this stage can be re-submitted by Departments for consideration during the request phase of the subsequent budget year.
 - iii. Capital requests approved by the County Executive at this stage are included in the County Executive’s Recommended Capital Improvement Budget.

5. REVISION HISTORY:

Rev. #	Summary of Changes	Date of Change	Author
2.0	<ul style="list-style-type: none"> • Removed Small IT Project Budget Request process because ITSC disbanded and is no longer part of the Capital process • Added Cost Estimating Logs in definitions & section 4.C.v. • Updated CFPSC definition • Removed ITSC and Small IT Project from definitions • Updated timelines through procedure 	2/4/2021	Vince Masterson

⁵ Per Wisconsin State Statute 59.60(2) (b), the Requested Budget Deadline is set annually by DAS Director (deadline can be no later than July 15). Historically, this has been the last business day of June and is highlighted in the annual capital memo to departments, [Capital and IT Budget Request SharePoint Site, and initial March capital meetings with Departments.](#) Departments submit their requested Cost Estimate Request Form(s) and 5-Year CIPs to the Department of Administrative Services (DAS) towards the end of June/early July.