

3.08 Capital Improvement Budget Request, Small IT Project Budget Request, and 5-Year Capital Improvement Plan

Procedure Number:	3.08
Procedure Title:	Capital Improvement Budget Request, Small IT Project Budget Request, and 5-Year Capital Improvement Plan
Original Issue Date:	7/9/18
Revision Date:	7/9/18
Appendices:	3.08(a) Flowchart
Forms:	Cost Estimate Request Form 5-YR Capital Improvement Plan (CIP)
Statutory References:	59.60(2)(b); 59.60(5)
Ordinance References:	1.24; 32.81; 36.04(a)
Department Responsible for Updates:	DAS
Date for scheduled procedure review:	7/9/19

1. OBJECTIVE

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

2. DEFINITIONS

- A. A & E: Architectural and Engineering Section (organized under the Facilities Management Division of the Department of Administrative Services).
- B. 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.
- C. 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.
- D. CBC: Capital Budget Coordinator position within the Office of Performance, Strategy and Budget.
- E. CEX: County Executive Office.
- F. CFP: Consolidated Facilities Planning Steering Committee is an advisory committee with preliminary approval authority for non-technology and non-vehicular related capital improvement projects (both of which are subject to CEX review and final approval). CFP review includes real property, including without limitation, county buildings, airports, parks, highways,

dam sites in parks, parkways and playgrounds, and any other real property or improvements thereon used or owned by Milwaukee County.

- G. CIC: Capital Improvements Committee is an advisory committee with no budget approval authority; Chapter 36 of the Milwaukee County Code of Ordinances.
- H. DAS: Department of Administrative Services.
- I. 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.
- J. IMSD: Information Management Services Division (organized under the Department of Administrative Services).
- K. IT: Information Technology.
- L. ITSC: Information Technology Steering Committee is an advisory committee with preliminary approval authority for technology-based capital improvement projects and small IT projects (both of which are subject to CEX review and final approval).
- M. Operating Budget: A combination of known expenses, expected future costs, and forecasted revenue over the course of a year.
- N. PSB: Office of Performance Strategy and Budget Division (organized under the Department of Administrative Services).
- O. 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***.
- P. Small IT (non-capital) Project: Technology projects under \$100,000. These types of projects are annually reviewed by the ITSC. Any ITSC approved project is included in the IMSD Central Purchases Operating Budget (Agency 115, Low-Org 1168) as part of the annual budget process (pending CEX review and final approval).
- Q. 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. PROCEDURE

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.

A. Determining Project Type

- i. Departments submitting a budget request identify whether the project is:
 1. A new Capital Project or Small IT Project request that meets the criteria in 2(C) or 2(P) above;
 2. A Capital Project or Small IT Project that was requested in a previous year's budget but not approved; or
 3. An update to the department's 5-Year Capital Improvement Plan for an existing project.

B. Submitting Requisite Forms (March – 2nd Week of April)

- i. The [Capital and IT Budget Request SharePoint](#) site houses all needed forms and submission instructions.
 1. 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).
 2. A listing of the applicable Department leaders and staff is included on the Capital and IT Budget Request SharePoint Site.
- ii. 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 first two weeks of March pending Departmental availability.
 1. 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.
 2. 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.
 3. For updates to existing projects, departments update their **5-Year Capital Improvement Plan Form** and submit to the SharePoint site.
- iii. **Requesting Departments have until the final business day of March to submit Cost Estimate Request Form(s) to PSB for consideration.** This includes both new (see #1 above) and updated Cost Estimates Request Form(s) (see #2 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.
 1. Requesting Departments are strongly encouraged to not wait until the final week to submit Cost Estimate Request Forms. This will ensure that PSB, AE, and IMSD are allowed enough time to review the requests.

C. DAS Review Process (March – 2nd Week of April)

- i. Various divisions within DAS conduct the initial review of submitted requests.
 1. PSB (CBC) reviews all requests.
 2. IMSD (IMSD Project Management Office Director, but this may be limited to staffing capacity) conducts a preliminary review of IT Capital Projects and IT Small Projects.

- 3. AE (AE Director, AE Unit Principals, but this may be limited based on staffing capacity) conducts a preliminary review of real property Capital Projects.
- ii. Incomplete or unclear requests are sent back to departments for corrections (by PSB, IMSD, or AE staff identified in Ci1-2-3). 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 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.
- v. Completed requests are then assigned to IMSD or AE (AE Director and/or Unit Principals) to create a cost estimate.
- 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 ITSC and CFP (but are subject to change).
- vii. 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 Review Process (3rd Week in May – 1st Week in June)

- i. The IT Steering Committee reviews IT projects for approval.
 - 1. Denied IT Capital Project requests (over \$100,000) are placed in an out-year of the 5-Year Capital Improvement Plan. The request can be resubmitted by the Department for consideration in the subsequent budget year.
 - 2. Denied Small IT project requests (under \$100,000) can be resubmitted by the Department for consideration in the subsequent budget year.
- ii. The Consolidated Facilities Planning Steering Committee reviews non-IT projects for approval.
 - 1. Denied Capital Project requests (over \$100,000) are placed in an out-year of the 5-Year Capital Improvement Plan. 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** for final review.
- 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.

- iv. 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).
- v. The CBC makes hard-coded, protected copies of each requesting Departments 5-Year Plan file and saves on the [Capital and IT Budget Request SharePoint Site](#) under the *ZZZ_Depts Final REQs Archive* subfolder (see the *Admin_REQ process setup.xlsx* file). 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.
- iv. Approved Small IT Projects are included in the IMSD Central Purchases section of the County Executive’s Recommended Operating Budget (Agency 115, Low-Org 1168). Funding of IMSD Central Purchases budget is subject to change each year based on the County Executive’s Recommended Operating Budget as well as the final County Board Adopted Operating Budget. Therefore, funding of Departments’ requested small projects may or may not be included as part of the final annually adopted operating budget.

4. FORMS/SHAREPOINT SITE

The following SharePoint Site is to be used in compliance with this procedure; required FORMS are located within the SharePoint Site. Department leaders will receive an email with this link in March of year:

Form #	Form Title
	Capital and IT Budget Request SharePoint Site (Links to SharePoint Site)
	Capital and IT Request Form (included in each department’s SharePoint folder)
	5-YR Capital Improvement Plan (CIP) Form (included in each department’s SharePoint folder)