

Salt Lake Countywide Policy 1102: Capital Project Planning, Approval, and Administration

Purpose

Salt Lake County Capital Projects constitute a large number of assets that are foundational to the mission and services provided by the county. This policy outlines processes for planning, funding, and administering Capital Projects so these investments are effectively managed, protected, and optimized.

This policy does not address capitalization as discussed in Mayor's Finance Accounting Procedures Manual.

1. Definitions

1.1. **Capital Project:** Capital Project: Any new construction, acquisition, repair, replacement or reconstruction of County-owned property that adds to the inventory of assets or results in the betterment (extends the useful life, increases the value or improves the quality) or maintenance of an existing asset.

1.1.1 **Facility Capital Project:** Any Capital Project associated with a County-Owned Building, including Capital Improvement, Capital Development, or Deferred Capital Improvement.

1.1.2 **Other Capital Project:** Any Capital Project that is not associated with a County-Owned Building, including Capital Improvement, Capital Development or Deferred Capital Improvement. Such projects may include non-building related initiatives in Public Works, Flood Control, Parks and Recreation, Golf and Information Services where projects relate to roads, waterways, open space, or hardware.

1.1.3 **Capital Improvement:** Cyclic repair and replacement, or energy efficiency projects that extend the life and retain usable condition, of the asset that are not normally contained in the annual maintenance budget.

1.1.4 **Capital Development:** Construction or significant remodeling of County-Owned Buildings or other assets, that include programmatic improvements or alterations, utility projects, Facility Replacement, and land or water acquisition for facilities construction.

1.3 Pre-Development Planning: The phase of a Capital Facility Project between project conception and the solicitation of an architect for design. The Pre-Development Planning period may include master planning, feasibility studies, programming, estimating, schedule forecasting, etc.

1.4 Facility Capital Project Proposal: A document prepared for communicating to policy and decision makers the need to expend resources to complete a Facility Capital Project. The Facility

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Capital Project Proposal includes project scope, timelines, estimated design, construction, and other project costs to finish the project. It will also include estimated costs such as number of full-time employees needed to operate and maintain the project and annualized operational and maintenance cost projections for the first five years if applicable.

1.5 Facilities Management: The division responsible for maintenance, operations, and repair of the County-Owned Buildings. Facilities Management is also responsible to manage Facility Capital Projects from Pre-Development through completion of the project.

1.6 County-Owned Building – A structure owned by Salt Lake County where any portion of the building or structure is climate controlled. Includes space leased by Salt Lake County where the County has a contractual right or obligation to perform maintenance or other betterments to the property.

2. Scope: This policy applies to all Capital Projects. This policy does not address capitalization as discussed in Mayors Finance Accounting Procedures Manual.

3. Facility Capital Projects – Planning, Approval, and Administration

3.1 Planning

- 3.1.1 In the Pre-Development Planning period agencies shall engage Facilities Management to assist with the creation of project scope and timelines, and estimated design, construction, and other project costs. Agencies and Facilities Management will also engage Real Estate, Mayors Finance, Contracts and Procurement, the District Attorney and other appropriate agencies as needed to assist in land acquisition, funding models, etc. Upon completion of the pre-development stage agencies will develop a Facility Project Proposal.
- 3.1.2 Project planning should include a review of the most recent facility condition assessments.

3.2 Approval

- 3.2.1 The sponsoring agency shall be responsible to obtain approval(s) for Facility Capital Projects consistent with any internal processes, including board or committee review, prior to submitting and obtaining Mayor or Council approval. All agencies that assist in the Facility Project Proposal will support these processes as needed.
 - 3.2.1.1 Capital Improvement Fund Prioritization and Recommendation Process:
 - 3.2.1.1.1 Salt Lake County hereby establishes the Capital Improvement Prioritization Committee (Committee) under the office of the mayor consisting of one voting representative from the following County

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Divisions, Departments, and elected offices: Facilities Management; Salt Lake County Mayor's Finance office; Salt Lake County Council's Office; departments and elected offices seeking capital improvement fund funding and non-voting subject matter experts as needed.

3.2.1.1.2 The purpose of the Committee is to review and analyze annual agency prioritized facility and other projects and make priority recommendations to the Mayor based on available resources.

3.2.1.1.3 The Committee shall be chaired by the Director of Facilities Management.

3.2.1.1.4 Committee Recommendation Process:

3.2.1.1.4.1 The Committee will meet at least annually.

3.2.1.1.4.2 Projects related to protecting, enhancing or optimizing existing county-owned buildings will be prioritized as follows:

1-Projects mandated by law or court order.

2-Projects that correct safety or health problems.

3-Projects that repair or replace facility components that are needed for the facility's intended functions.

4-Projects that protect or optimize previous investment.

3.2.2.4.3 Prioritization Enhancements

1-Projects with grant or other funding sources in place.

2-Projects where a high overall long-term cost saving can be demonstrated.

3.2.1.2 If under expend exists from a previously approved Capital Improvement Fund project the Facilities Management Director may submit a budget adjustment to allocate the resources to other Facility Capital Projects or appropriate project.

3.3 Administration

3.3.1 Upon approval and funding of Facility Capital Projects, Facilities Management will be the lead project manager working closely with the requesting agency to meet project goals. The Facilities Management Director may delegate in writing these project management duties to the sponsoring agency.

4 Other Capital Projects – Planning, Approval and Administration

4.1 Planning

4.1.1 Agencies shall engage the appropriate Division, Project Management group, etc. to assist with the creation of project scope, timelines, estimated design, construction, and other project costs.

4.2 Approval

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- 4.2.1 Agencies shall be responsible to obtain approval(s) for Other Capital Projects subject to their respective board, committee or process requirements prior to submitting and obtaining Mayor or Council approval. All agencies which assisted in the Facility Project Proposal will support these processes as needed.

4.3 Administration

- 4.3.1 Upon approval and funding, the agency will work with the appropriate project management group to meet project goals.

5 Capital Project Budget

5.1 Annual Submission

- 5.1.1 Annually, the Facilities Management Division shall prepare a countywide Capital Project summary for the Mayor. This summary shall include Capital Project requests by managers of special or proprietary funds within their organizations' budget requests as well as submit these requests to the Facilities Management Division for inclusion in the countywide Capital Project summary.

5.2 Interim Submission

- 5.2.1 It is the expectation of the Mayor and Council that new Facility Capital Projects should only be considered during scheduled budget opening sessions. However, if a new Facility Capital Project is proposed at a time other than the budget opening session, an interim Budget Adjustment Form along with accompanying documentation will be submitted for appropriate approvals.

5.3 Capital Projects Budget Adjustment

- 5.3.1 All Facility Capital Projects Budget adjustments, and all budget adjustments funded by the Capital Improvement Fund, shall be forwarded on the budget adjustment form to the Facilities Management Director for review. If the Facilities Management Director determines that the proposed change could constitute a change of scope, the Facilities Management Director shall consult with the District Attorney's Office on whether the proposed change does constitute a change of scope. If the District Attorney's Office advises that the proposed adjustment is not a scope change, the Facilities Management Director shall forward the interim budget adjustment request together with all supporting documentation and a summary of the District Attorney's advice regarding potential change of scope to the Mayor.
- 5.3.2 If the District Attorney's Office advises the scope of the project has changed, the requesting agency shall consult with the District Attorney's Office for legal advice on whether the project should be re-bid in accordance with County and state procurement requirements.

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5.3.3 If a capital project requires additional funding beyond the original project budget and available contingency, Council approval is required for additional funding or transfer of funds from another underspent project. The requesting agency shall follow Policy 1050 – Interim Budget Adjustments guidelines for capital projects budget adjustments.

5.4 Asset Management

5.4.1 Regardless of funding source, agencies will review all projects for accounting accuracy with Mayor’s Finance asset management group.

5.5 Capital Project Termination

5.5.1 All Capital Projects approved by the Council must be completed within their original scope and within the total amount appropriated by fund. However, If the Mayor subsequently determines a previously approved Capital Project is not feasible, the Council shall be notified. If the Council concurs with the Mayor's determination that a previously approved Capital Project is no longer feasible, then it will be cancelled.

APPROVED and PASSED this 4 day of December, 2018.

SALT LAKE COUNTY COUNCIL



Aimee Winder-Newton, Chair

ATTEST:



Sherrie Swensen, County Clerk

APPROVED AS TO FORM:

District Attorney’s Office Date