

# Administrative Procedure

Resolution Number 20-42  
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This Administrative Procedure supersedes and replaces any previous versions

## CAPITAL PROGRAM

**Purpose:** Buildings, infrastructure, and major equipment are the physical foundation for providing services to the public. The design, construction, procurement, repair and maintenance, preservation, management, replacement and continuing operations of capital assets are a critical activity of Alachua County. A Capital Program is established to document a comprehensive plan that includes a condition assessment, needs determination and prioritization, identifying funding and timing to budget and acquire assets using a five (5) year Capital Improvement Plan (CIP), procurement of assets, recording and controlling capitalizable assets, and the repair, maintenance, preservation, and replacement of assets.

The Capital Program will abide by applicable requirements as put forth within the Alachua County Comprehensive Plan, specifically Objective 1.6 of the Capital Improvement Element Section, Objectives 2.2 and 5.2 in the Energy Element, and Policy 4.5.21(d) of the Conservation and Open Space Element. It will also abide with all appropriate regulatory authority from the Federal and State Governments, as well as asset records maintenance and asset management policies developed by the Clerk of the Court.

The capitalization of assets is a financial reporting and monitoring function that allows for similar acquisitions of buildings, infrastructure and equipment (capitalizable items) to be reported as an expenditure or assets based on criteria such as useful life and monetary amounts. For the purposes of the Capital Program, Capitalizable assets can best be identified in three (3) groups:

- (1) Capitalizable items that meet all thresholds to capitalize and add to the inventory of fixed assets. These thresholds are determined by the Clerk of the Court and recorded in the financial system accordingly. The thresholds are based on useful life and monetary value at acquisition. Examples are new buildings, major refurbishments and renovations that extend the original life of the building beyond its originally designated life, new roads, and major road rebuilds that extend the life of the road beyond its originally designated life.
- (2) Capitalizable items that are similar to those in group (1) but do not meet the threshold criteria are expensed on the financial records. Examples are partial roof replacements, boiler replacements, and smaller road segment re-pavements.

(3) Capitalizable items that are major equipment that do not meet the threshold requirements, but need to be controlled, are expensed but controlled through the Clerk of the Court's procedures. There are three (3) main reasons these items need to be controlled.

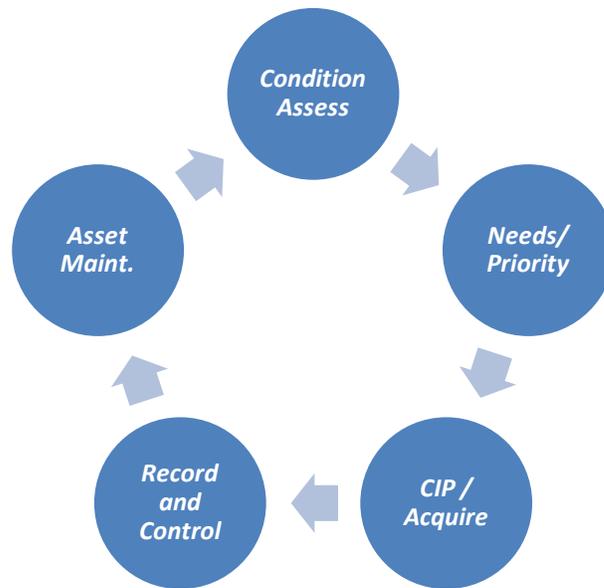
- a. Items that require special attention to ensure legal compliance (i.e. grants).
- b. Items that require special attention to protect public safety and avoid potential liability (i.e. police weapons).
- c. Items that require special attention to compensate for a heightened risk of theft (i.e. laptops).

For the purpose of developing the Capital Program, only groups one (1) and two (2) are applicable.

**GFOA Best Practices are used to implement administrative procedures and a link will be located on the Budget and Fiscal Service web page.**

**Policy:** To provide appropriate and adequate buildings and infrastructure to support County staff, Constitutional Officers, and Judicial Officers to deliver services to the public. Also, to provide public buildings and infrastructure for general use, enjoyment and service directly to the public. The goal is to assemble and implement comprehensive procedures that incorporate best practices.

**Components:**



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**Condition Assessment –**

The County is structured with departmental oversight which serves as the responsible party for assessing current facility status. This assessment is necessary for an appropriate needs determination to be completed before funding can be identified.

Departments that have building and infrastructure needs are:

- 1) Facilities – Generally serving general government and court system. This also includes a portion of Facility Preservation projects.
- 2) Critical Facilities- Generally serving the Sheriff and Fire functions. This also includes a portion of Facility Preservation projects.
- 3) Transportation Infrastructure
- 4) Solid Waste Infrastructure
- 5) Parks Management
- 6) Wild Spaces Public Spaces
- 7) Economic Development & Tourist Development Projects
- 8) Utility Conservation

#### Asset Condition Assessment Process

##### Part #1: Site/Field Data Collection and Asset Analysis

Collect key information components of each asset including, but not necessarily limited to the following:

- A. Type of asset system.
- B. Original level of service, design or engineering parameters.
- C. Anticipated life span of asset from “new” status.
- D. Current condition of asset, as of data collection date.
- E. Recommended periodic maintenance schedule.
- F. Recorded historical maintenance schedule, tasks completed and deferred maintenance.
- G. Anticipated/projected remaining life span of asset.

##### Part #2: Classification of Asset

Classify assets according to the following:

ADEQUATE: There is a high level of confidence that the asset is performing as designed and is reasonably meeting original design or engineering parameters and industry standards. There is limited to no probability that any degraded conditions are affecting operations or resulting in a loss of service.

PROBABLY ADEQUATE: The system is still performing and generally achieving the desired outcomes and level of service, but may not be meeting the design or engineering parameters. There is limited to low probability that any degraded conditions are resulting in significant loss of efficiency or degradation in level of service.

PROBABLY INADEQUATE: There is low level of confidence the system is performing as designed and as originally intended. Even though the asset is performing, it is not to the desired efficiency or level of service. The asset does not meet current design or engineering standards or parameters. The asset is resulting in inefficient operations and degradation of level of service.

INADEQUATE: There is a high level of confidence that the asset will not perform as design or originally intended. The asset is not performing regularly and requires attention to address repeated deficiencies. The asset does not meet current design or engineering standards or parameters. The asset is resulting in inefficient operation and degradation of level of service.

FAILED: The asset is not operational or is operating without any sustainable predictability. The asset experiences regular and random loss of operation and does not meet any current design or engineering parameters.

### Part #3: Service Expectations

- A. Desired level of service of the asset. This includes the desired life space, functionality, and efficiency.
- B. Required or desired components, amenities and enhancements of the asset or components of the asset. This includes sustainability enhancements, energy conservation measure, or certification requirements.
- C. Identify options to augment life span or use consistent with the desired efficiency or level of service. This includes reviewing options for replacement, renovation, repair, or rehabilitation of the asset to meet desired service level, based on the cost of effectiveness of those options.

### Project Prioritization:

#### Step #1: Policy considerations for each asset.

The objective of this step is to determine the priority of asset improvements necessary and how they are affected by or are related to other assets. This is also the point to review potential policy updates that would drive changes to the asset or improvement considerations, such as location, energy efficiency, or relationship to other assets.

- Are there required system needs, improvements, or enhancements needed to meet code and legal requirements?
- Are there improvements, renovations, rehabilitation or enhancements needed to meet the desired level of service to be provided by the asset?
- Are the ancillary or interrelated systems or assets to be considered?
- What are the mission critical systems or back up needs associated with the asset.

## Step #2: Develop Cost Estimates

The goal is to develop the most accurate cost estimate for the project as possible, considering all aspects of delivering project from inception to completion of the project. This project estimate would include all necessary design, property needs, construction, and project support. The cost estimate should be itemized by component by the best method possible and address project synergies, interdependence, and interaction of critical asset types.

There are several methods of developing an estimate, including but not limited to architecture/engineering design estimates, unit cost approach, and historical background for similar projects. Multiple approaches should be used in an attempt to validate the cost estimate.

## Step #3: Funding and Program Development

Funding options should be developed with the goal of optimizing the number of priority projects to be completed during the funded year. The funding should be identified and applied to project priorities to the extent the funds are available.

Program development for the next fiscal year shall start during the first/second quarter of the current fiscal year. Staff will review all projects underway or planned to be underway during the current fiscal year, as well as all anticipated projects in the next fiscal year proposed for adoption and the four years that follow the proposed year.

For projects underway or planned for the current fiscal year, a review of funding necessary to complete the project will be conducted, resulting in positive or negative funding adjustments for each project. Once a project is underway, the project progress and cash flow should be monitored allowing for funding adjustments. Adding to the overall scope of the project as a result of available funding reviews is not permitted without County Manager or Board of County Commissioner approval.

Each review period, the proposed year and the following four years will be programmed and fiscally balanced for the proposed fiscal year, as well as for the 5 year funding program.

Project estimates will be programmed by phase of the project (i.e. design, property/rights of way, construction, and project support) for the year the funds are to be anticipated to be needed.

The current year and proposed year estimate will be based on the best estimation available at the time. The last four planned years of the CIP will also be programmed with the best estimation available for the year being programmed. Consideration should be given to the change in costs expected due to the date of the project phase.

During the Board's budget workshops, staff will present the proposed fiscal year to be adopted and the planned projects for the next four years. The Board's review will result

in adopting or revising staff recommendations for the proposed fiscal year as part of the budget approval in September of each year.

#### Needs Determination and Prioritization –

Through a review of the condition assessment, level of service needs, and Board direction; each department can identify their needs and prioritize these needs for consideration in developing the 5 Year CIP and Budget.

#### CIP & Budget –

The Office of Management and Budget will develop a CIP plan in coordination with the Deputy / Assistant County Managers and the Clerk's Finance and Accounting Office. One major consideration in the CIP development is that many funding sources used for the Capital Program are limited to the use for which they are derived (i.e. Gas Tax used for Transportation Projects). The purpose of the CIP is to identify and prioritize available funds to acquire needed assets.

The CIP is developed to present the budget for Year 1 and funded projects for Years 2-5. The CIP will also contain a list of projects identified as needed, but unfunded. It will be segregated into functional areas that have identifiable funding sources.

The CIP will be presented annually to the Board during meetings related to the budget.

Each Capital project will be acquired following the Board's Procurement Code and Administrative Procedures.

Other considerations in developing the CIP include:

- 1) Capital expenditures for court-related facility needs should be funded first from revenue generated through the collection of a traffic citation surcharge as provided for by F.S. 318.18(13)(a) and Section 123.20 of the Alachua County Code. Revenues from this surcharge may also be used to fund Court Facilities, including office space leases and utilities.
- 2) The County shall utilize a combination of Debt and pay-as-you-go financing for capital projects. The particular funding mechanism for each project will be determined and included in the CIP, and the annual budget
- 3) The Financial Oversight Committee will review the CIP for financial feasibility and funding availability.
- 4) Project Budgeting

In addition to the actual cost of a project, the following budgets shall be included:

A. Energy and Water Considerations for Capital Projects

- I. Energy usage and costs shall be considered as part of the life cycle analysis required for capital project decisions by the County.
- II. An energy and water conservation component shall be included for consideration by the Board.
- III. Energy components shall include:
  - 1) Energy conservation power down plans that insure all unnecessary energy consumption ends after business hours
  - 2) Building envelope weatherization where possible
  - 3) Efficiency improvements to the building equipment and machinery
  - 4) Renewable energy additions for all new county construction and where possible existing buildings
  - 5) Water conservation and efficiency improvements

B. Art in Public Places pursuant to Alachua County Code Chapter 29

- I. Any original construction or major renovation of a County building, facility, park, or space (excluding transportation projects) of at least \$300,000 shall include in its budget 1%, up to \$100,000, of the construction costs for architectural enhancements, special landscape treatments, paintings, sculpture, engravings, murals, mobiles, photographs, drawings and/or works in fabric for the project.
- II. Art in Public Places funds will be used in accordance with Alachua County Code Chapter 29.
- III. The County will use the Alachua County Public Arts Program Citizens Advisory Committee to assist in the selection of art from capital projects of \$1.0 million and above. For projects under \$1.0 million, staff will make recommendations, consistent with Alachua County Code Chapter 29. The Board may make the final selection from those options presented or any option upon its own motion.

C. Project audit

- I. A construction manager-at-risk contract audit shall be performed on all capital projects with budgets of \$2 million or more.
- II. A contract audit for unit cost bids shall be performed on all capital projects with a budget of \$2 million or more.
- III. Cost for the audit shall be included in the project's budget.

Recording and Controlling Capitalizable Assets –

The Clerk of the Court has been delegated the responsibility to develop administrative guidelines in determining Capitalization thresholds and proper financial recording of assets. These guidelines include:

- 1) Capitalization of Buildings, Infrastructure and equipment
- 2) Depreciation methodology and application
- 3) Procedures for control over items that are not capitalized (Group 3)

Asset Maintenance –

The repair, maintenance, preservation, management, replacement and continuing operations of capital assets requires a plan of action and a long-term funding identification. The long-term cost associated with acquiring assets will be included in Capital Program submittals and considered in future budget development.

The approach to documenting the plan of action and long-term funding needs is outlined in Step 3 of the Asset Condition Assessment Process listed above.

AS ADOPTED BY THE BOARD OF COUNTY COMMISSIONERS  
RESOLUTION **20-42**  
DATED 06/09/2020