

City Commission Policy #218

Authority for Administration of Capital Projects

DEPARTMENT: Administration & Professional Services

DATE ADOPTED: January 9, 1991

DATE OF LAST REVISION: May19, 2021

218.01 AUTHORITY
City Commission

218.02 PURPOSE
This policy applies to all appointed officials under the City Commission's authority and employees under the City Manager's authority as it relates to the administration, execution, and completion of capital projects. Various aspects of project management are incumbent upon Management and Administration, Public Works Engineering, Growth Management, and various operating departments. Specific areas of application are delineated in the body of the policy.

218.03 STATEMENT OF POLICY
It is management policy to provide the City Commission facts on capital projects as a basis for making budgetary decisions and implementing community goals in accordance with adopted City Commission policies.

This policy provides for the identification of performance characteristics for the City of Tallahassee's capital improvement program/budget; the review, management and control of capital projects for an effective annual assessment of the need for projects in the capital budget; and for the reporting of project status, change orders, supplemental appropriations, and design and construction schedule adherence which will be incorporated into the performance management system.

218.04 DEFINITIONS

- A. **Active Project** – refers to a project which has not been identified for closing and has had expenditures or encumbrances posted within the last six (6) months, or for which contracts, requests for proposals or bids have been issued.
- B. **Addenda** – refers to a change in bid specifications, request for proposal or any other solicitation method prior to the actual submittal date to the City.
- C. **Appropriation** – a funding amount approved and designated by the City Commission as part of the capital budget process for project implementation.
- D. **Approval Authority** – refers to the person(s) granted authority based on the City Charter or management delegation for various level of approval on projects.
- E. **Capital Improvement Program (CIP)** – the established scheduling of capital projects in a five-fiscal year timeframe. Annual review and appropriation of capital projects is conducted during the budget process.
- F. **Capital Project** – a project that is at least \$50,000 over the five-year CIP and has a life span of over five years and is construction related, a major maintenance item, a major automated system, repairs, replacements, or improvements which

aid in improving the City's infrastructure as defined, as follows:

1. **Recurring Project** – an on-going activity for which funding is appropriated on an annual basis and which must be fully expended by end of the fiscal year of appropriation, or its remaining spending authority will return to fund balance. Encumbered funds must be cleared within six months or by the end of March of the following fiscal year or they will be returned to fund balance, unless an extension is approved by the City Commission.
2. **Master Project** – a recurring project wherein expenditures are accounted for within individual projects funded from the master project (e.g., gas system expansion, electric substations). Annual appropriations to master projects that are not used to fund specific projects, or sub-projects, prior to the end of the fiscal year will be returned to fund balance. Appropriations for sub-projects opened from the master that are not expended within one year from the sub-project start date will be returned to fund balance. Only in exceptional circumstances will one additional year be granted by the Assistant City Manager over the department making the request.

Infrastructure repairs, replacements and improvements that are not listed and approved during development of a department's capital budget, but are similar in scope to projects included within the master, can be substituted with existing and appropriate sources of funds in the master project. This is intended to provide managerial discretion concerning repairs, replacements and improvements associated with city infrastructure for which the department is responsible. City Commission approval shall be required for substitutions of master project funds for expenditures other than repairs, replacements and improvements to infrastructure.

3. **Specific Project** – a project for which funding is appropriated and the appropriation does not lapse until the project is completed, terminated, or modified by the City Commission action. Alternatively, new and existing specific projects can be funded from master projects without City Commission approval if the specific project is similar in scope to the master project.
4. **Sub-Project** – a continuing program consisting of repairs, replacements and improvements to city infrastructure that is funded from a master project, at a level not to exceed \$500,000. Any sub-project opened in excess of \$500,000 must be classified as a specific project by the department and appropriations will not lapse until the project is completed, terminated or modified by City Commission action.

G. Capital Budget Transfers

1. **Intra-project budget transfer** – refers to the relocation of monies among the object codes within a project and between sub-projects within a recurring or master project, without changing the total appropriation of either the recurring or master project.
2. **Inter-project budget transfer** – refers to the reallocation of monies between projects changing the amount of the projects' total appropriations. This category includes all transfers except those specifically defined as intra-project transfers. Inter-project transfers must be approved by the City Commission.

- H. **Capital Project Evaluation** – an analysis and review of all capital projects requested for funding during the five-year capital improvement period. The analysis includes the project's justification, required activities, funding level requested for various levels of activity, operating budget impact, design and construction schedules, and impact on the comprehensive plan related to concurrency requirements. The evaluation shall also include sub-projects funded from recurring projects that may have been substituted during the course of the fiscal year, which were not requested as part of the five-year capital improvement plan.
- I. **Capital Project Forms** – those forms designated by Administration & Professional Services to be used to create or update capital project records.
- J. **Capital Project Fund** – a fund created to account for financial resources used for acquisition, construction or major repair of capital facilities.
- K. **Capital Project Funds Quarterly Report** – a report provided quarterly to senior management, no later than fifteen (15) working days following the end of the quarter with the sources, total uses and segregations of fund balance for each capital project fund. The year- end quarterly report will be provided to the City Commission within seventy-five (75) calendar days after the end of the fiscal year.
- L. **Capital Project Fund Sources** - revenues (e.g., proceeds from sale of land, investment earnings, operating revenues, grants), bond proceeds, transfers from other funds and undesignated fund balance used to finance the acquisition, construction or major repair of capital facilities.
- M. **Capital Project Fund Uses** - expenditures (including encumbrances) against projects and transfers to other funds.
- N. **Capital Project Status Report** – a report prepared on a semi-annual basis by project managers regarding the activity level of a project, including expenditures, encumbrances, project overruns, percent of project completion, adherence to design and construction schedules and specific activities which have taken place during the previous two quarters.
- O. **Change Order** - modifications to a capital project contract's work scope, cost or schedule phasing, as authorized by the City Manager or the City Commission.
- P. **Closed Project** – refers to the completion of a capital project and the termination of expenditures and encumbrances being posted to the project as follows:
 - 1. **Soft Close** – refers to a project for which the work is complete; however, all encumbrances have not been cleared.
 - 2. **Completed** – refers to a project for which the work is complete and all encumbrances and adjustments have been cleared.
- Q. **Contingency** – a defined dollar allowance, approved by the Commission, used to fund non- scope change order.
- R. **Construction Schedule** - refers to the timeframe within which capital project construction will commence and be completed.

- s. **Contract** - a written agreement between the City and another party which sets forth the terms and obligations of a business transaction.

- t. **Design Schedule** - refers to the timeframe within which capital project design development, planning and engineering will commence and end.

- u. **Expenditure** - the financial cost associated with completion or termination of a project, further classified as:
 - 1. **Direct** - expenditures which can be traced to specific goods received or services provided (e.g., labor, materials, or construction charged directly to a project).

 - 2. **Overhead** - elements of cost that are a necessary component of a project which cannot be traced to specific goods received or services provided, and further defined as:
 - a. **Direct Overhead** - those costs funded within the operating budget of the department responsible for managing the project. The rates are to be developed by Administration & Professional Services by April 1 of each fiscal year for the upcoming fiscal year.

 - b. **Indirect Overhead** – those costs funded within the City's operating budget and allocated based upon the cost allocation plan. The rates are to be developed by Administration & Professional Services by April 1 of each fiscal year for the upcoming fiscal year.

- v. **Fund Balance** – the difference between a fund's assets and liabilities, classified as:
 - 1. **Amount to be provided** - an account used to segregate a portion of the fund balance representing estimated revenues which will be used to fund projects, but which have not been received (e.g. grants).

 - 2. **Designated Reserve** – an account used to segregate a portion of the fund balance for tentative management plans and/or contractual obligations.

 - 3. **Reserved for Encumbrances** - an account used to segregate a portion of the fund balance for open encumbrances.

 - 4. **Reserved for Projects** - an account used to segregate a portion of the fund balance for the unexpended and unencumbered balances on projects.

 - 5. **Undesignated** - an account used to segregate a portion of the fund balance for the amount available for appropriation (also referred to as "unappropriated fund balance" or "available fund balance").

- w. **Inactive Project** – See *Closed Project*

- x. **Infrastructure** – permanent installations of the City's physical assets, that are constructed or purchased, and on which the continuance and growth of a community depend (e.g., streets, water works, sewer lines, public buildings).

- AA. Non-Scope Change Order** - a change order to a contract, adding or deleting work, in order to meet the intent of the original contract.
- BB. Open Project** – refers to an approved project which has been entered into the PeopleSoft Projects module via proper documentation and for which expenditures and encumbrances are allowed to be posted.
- CC. Master Reserve** – a reserve to accumulate dollars over several fiscal years for a specific activity and in which expenditures are accounted for within individual projects funded from the reserve (e.g., land banking program).
- DD. Frozen Project** – refers to a project which has not been authorized by the Administration & Professional Services to allow expenditures or encumbrances to be posted.
- EE. Project Budget** – refers to the total amount of funds (appropriations and supplemental appropriations) allocated to a capital project.
- FF. Project Manager** – refers to the individual within the department that has authorization and responsibility to facilitate and complete a capital project.
- GG. Project Scope** – a specific and distinguishable unit of work that sets the boundaries within which the project must operate or the services will be performed, and includes areas such as design, engineering and construction activities, equipment procurement, contractor selection, etc.
- HH. Repairs, Replacements and Improvements** – funding required to restore fixed assets (excluding land) to their proper and functioning condition or to substitute with an identical or similar fixed asset, as needed.
- II. Scope Change Order** – a change order to a contract, adding work not required to meet the intent of the original contract, or deleting work when the deletion effectively changes the intent of the original contract.
- JJ. Supplemental Appropriation** – refers to funds approved by the City Commission for amending an open capital project or opening a new capital project outside the capital budget process. This does not refer to a sub-project amended or opened from a recurring project or for monies transferred within a project.

218.05

RESPONSIBILITIES

A. Department Directors

1. It shall be the responsibility of department directors or their designees to serve as managers of their respective capital projects. This responsibility shall encompass facilitation and oversight of project completion and management, execution and monitoring of project appropriation, opening, encumbrance, expenditure, transfers, supplemental appropriations, purchases, contracts, change orders, balance activities and project closing to effectively complete projects in the most timely manner. Departments can obtain information to assist them in these responsibilities through PeopleSoft reports or queries, which are available through the PeopleSoft Financial System.

2. Transfer of the responsibility for management of a given project shall occur during executive budget hearings or upon approval by the City Manager or designee. It shall be the responsibility of the original project manager to initiate a request for transfer of the project from the original department to the new department, to notify the receiving department, and to obtain approval from the City Manager or designee prior to execution. This action shall be evidenced through the signatures of the directors from both the original and receiving departments, as well as the City Manager or designee on the appropriate capital project form(s).
3. Department directors will be responsible for submitting design and construction schedules and all other related project information to the Administration & Professional Services within timelines established annually as part of each fiscal year's budget development process.
4. Department directors are responsible for ensuring that all aspects of their projects comply with City policies (e.g., Comprehensive Plan and Information Technology Acquisition policy) and legal requirements, and that funds are expended for that which the project was intended. In some instances, this shall be achieved through co-responsibility between a department director and the City Engineer or the Chief of Information Systems Services.
5. Department directors will be responsible for prohibiting deficits in their respective projects' total budget. Action should also be taken by department directors to avoid deficits in subprojects and to correct them in a timely manner if they occur.
6. Department directors will be responsible for maintaining project completion dates on a current basis. This provides for a monthly review and update of project reports to ensure that no project is beyond its completion date as reflected in the PeopleSoft Financial System. Project extension requests should be submitted to the respective Assistant City Manager and the Administration & Professional Services concurrently for approval five working days prior to the project date becoming past due. Administration & Professional Management will process the extension requests upon approval from the respective Assistant City Manager.
7. Department directors will be responsible for ensuring the use of change order forms or contract amendment documents to fund change orders to contracts. ***The use of purchase orders as a device for contract change orders is prohibited.***
8. Department directors, in concert with the Treasurer-Clerk's office, will be responsible for ensuring the City Commission approves a declaration of intent (reimbursement resolution) prior to the expenditure of funds appropriated from future bond proceeds. The reimbursement resolution is necessary for expenditures to be repaid once bonds are sold.
9. Department directors who have assumed responsibility for processing capital project and project accounting activities directly on the PeopleSoft Financial System will ensure that projects closed in the PeopleSoft Projects module during a previous fiscal year will not be reopened without the written approval of Administration & Professional Management.

B. Growth Management Department:

1. Growth Management shall be responsible for facilitating the City Commission's commitment to implement and provide the programs and projects necessary for compliance with the comprehensive plan. In accordance with the law, the plan's components require infrastructure to be in place concurrent with the issuance of development orders.
2. The Growth Management Department will provide input to departments for development of capital budgets as required.

C. Planning Department:

1. The Planning Department will be responsible for reviewing requested projects for compliance with the comprehensive plan goals and objectives to ensure that projects meet the goals of the comprehensive plan and the long-range transportation plan.
2. The Planning Department is responsible for providing a ranking of the requested projects that should receive priority since they meet the goals of the comprehensive plan.
3. The Planning Department is responsible for updating the capital improvement element (CIE) section of the comprehensive plan and submitting this to the Department of Community Affairs (DCA) on an annual basis as part of the comprehensive plan amendments.

D. Engineering Division:

1. Engineering, or applicable departmental engineering staff, shall be responsible for working with project managers to review the "engineering service request" form for those projects recommended for inclusion in the capital budget. The review conducted by engineering shall include, at a minimum, an evaluation of cost, scheduling and scope.
2. The engineering staff also will be responsible for completing such evaluations for utilization in development of the next fiscal year's proposed capital budget.
3. Additionally, in some instances, Engineering will have co-responsibility with department directors for capital project management and completion and will be responsible for meeting internally established engineering completion dates.

E. Administration & Professional Services:

1. Administration & Professional Services shall be responsible for all accounting functions, including developing direct and indirect overhead rates and creating and updating capital project records. Presently, three departments (Electric, Public Works and Water) have the ability to open and amend projects within PeopleSoft. Upon receipt of properly approved documentation, these functions shall be conducted in a timely fashion in order to ensure the credibility of data in the PeopleSoft Financial System.
2. Administration & Professional Services shall be responsible for the

development and dissemination of the following reports to management within timelines designated as follows:

- a. *Quarterly Capital Funds Status Reports* – due within fifteen (15) working days after the quarter ends. The year-end quarterly report will be provided to the City Commission within seventy-five (75) calendar days after the end of the fiscal year.
 - b. *Monthly Capital Project and Sub project Expenditure Reports* – are available on-line in the PeopleSoft Financials System. Departments may view these on-line or print reports as necessary.
3. Administration & Professional Services shall review, analyze and recommend the funding and scheduling of requested capital projects in concert with the annual budget process.
 4. Administration & Professional Services shall be responsible for the oversight and coordination of capital projects for the purpose of effective budgeting and providing status reports to assist in making prudent management decisions. Such oversight shall include review and budgetary authorization to establish capital project account records during the budget process, review of the project start date and design and construction schedule for compliance with City Commission decisions, and review and expedition of amendments to projects.
 5. Administration & Professional Services shall have responsibility for reviewing change orders to capital projects. This will include changes to projects' completion dates, which had been the responsibility of Assistant City Managers and the Assistant to the City Manager. The Administration & Professional Services also shall have responsibility for identification and/or approval of sources of funds for supplemental appropriations.
 6. Administration & Professional Services shall have responsibility for conducting capacity studies for all information technologies requesting the purchase of software, hardware and communications components. The purpose of the study will be to determine if the current system(s) can handle an additional load, and/or if additional hardware would need to be purchased. Capacity study results will be used in the review, analysis and recommendation of funding and scheduling for information technology capital projects requested in the annual budget process.

F. Technology Innovations Steering Committee

The Technology Innovations Steering Committee will review proposed information technology acquisitions that exceed \$50,000 to ensure the proposed systems are a priority, congruent with City goals, do not duplicate other systems already under development, and that staff resources are appropriately applied to these acquisitions.

G. City Manager

1. The City Manager or a designee shall have the responsibility of overseeing department directors' effective and efficient manner in completing capital projects. The oversight may incorporate information from project status reports (see section 218.06C) for use in the performance management system of management personnel.
2. The City Manager also will have the authority to approve and award all purchases, contracts and change orders for all capital projects approved by the City Commission in the capital budget.
3. Additionally, as part of the responsibility for City management, the City Manager shall review and recommend the annual capital budget, all purchases, change orders and supplemental appropriations for capital projects requiring the City Commission's approval.

H. Treasurer-Clerk

The Treasurer-Clerk shall be responsible for assuring that the required performance bonds and insurance policies are in place, maintaining and assuring compliance with all active capital contracts, including payments and change orders; documenting City Commission actions and providing a summary thereof to the Administration & Professional Services in a timely manner; and acquiring debt financing as needed for capital projects and investing the proceeds in compliance with federal and state laws, statutes and regulations.

I. City Commission

In accordance with the City Charter, the Commission shall have the responsibility for setting policy guidelines affecting capital project budgeting, approving the capital improvement program, adopting the ordinance, approving the annual capital budget.

J. Citizens of Tallahassee

The citizens of Tallahassee are encouraged to participate in the capital budgeting process by providing input on the Capital Improvement Program.

218.06

PROCEDURES

A. Capital Budget Process:

1. Departments:

- a. Department directors shall submit to Administration & Professional Services and the appropriate Assistant City Manager their annual capital project requests for the 5-year capital improvement program during the designated time period. Each request submitted shall include the capital budget, project sheets, the project ranking summary and, if applicable, an analysis of annual operating expenditures and/or revenues pertinent to a project during the five- years of the CIP.
- b. Construction projects should employ a three-part appropriation phasing process: land acquisition, engineering, and construction, appropriating each phase in separate years where appropriate.

- c. Departments should estimate project starting and completion dates as realistically as possible for projects and their various stages.
- d. Department directors also shall consult with the Engineering Division on the project cost and scheduling feasibility prior to submission for management's review.
- e. Department directors, except Electric and Gas, shall concurrently submit to the growth management department their annual capital project requests for the 5-year CIP. The capital budget 5-year schedule request shall include an estimate of the net capacity change when a concurrency facility is proposed. For all off-budget capital project appropriation requests, the department director shall have the Growth Management Department evaluate the project's scheduling and the capacity it would provide for the respective system/element in the comprehensive plan.

2. Administration & Professional Services:

- a. Administration & Professional Services shall receive all annual departmental capital project requests during the budget process, and will review, analyze and make recommendations on each request.
- b. Administration & Professional Services shall submit to the Engineering Division forms that identify a project's description, justification, operating impact, and expenditure and appropriation schedules for those projects recommended for consideration.
- c. Administration & Professional Services shall determine the appropriate funding source(s) for projects recommended to the City Commission in the budget. Administration & Professional Services shall also have the authority to substitute funding sources as needed to assure optimum utilization of all resources, after appropriation of the annual budget (i.e. to replace future bond issues of debt-eligible projects with existing, but unallocated, bond funding sources for the purpose of maintaining zero balances in the undesignated balances of older bond funds). This does not include substitution of existing funding sources for debt that has not been approved by the City Commission.
- d. For departments requesting capital project appropriations independent of the normal budget process, Administration & Professional Services shall evaluate the projects relative to scheduling and the capacity they will provide for the respective system/element in the comprehensive plan.

3. Growth Management:

- a. The Growth Management Department shall review all capital

budget requests, with the exception of the projects requested by the Electric and Gas departments, to make a determination of the projects' impact on facilitating concurrency associated with the comprehensive plan requirements. This evaluation should be conducted in tandem with the Executive Team's review and should be provided to Administration & Financial Management and the Executive Team no later than one week prior to the commencement of the City Manager's executive budget hearings.

- b. For departments requesting capital project appropriations independent of the normal budget process, the Growth Management Department shall evaluate the projects relative to scheduling and the capacity they will provide for the respective system/element in the comprehensive plan.

4. Planning:

- a. The Planning Department reviews requested projects for compliance with the comprehensive plan goals and objectives to ensure that projects meet the goals of the comprehensive plan and the long-range transportation plan.
- b. The Planning Department provides a ranking of the requested projects that should receive priority since they meet the goals of the comprehensive plan.
- c. The Planning Department is responsible for updating the capital improvement element (CIE) section of the comprehensive plan and submitting this to the Department of Community Affairs (DCA) on an annual basis as part of the comprehensive plan amendments.

5. Engineering Division:

- a. Upon receiving the Engineering Service Request and other pertinent project forms from Administration & Professional Services, the Engineering Division shall evaluate each request relative to cost, scheduling (including the estimated time for letting of the contracts by month and year and the duration of the design and construction phases), scope and relationship to other infrastructure needs in the government. This evaluation shall be provided to Administration & Professional Services within one month of receipt.
- b. Engineering shall work closely with each department on project scheduling to ensure realistic schedules are met. Engineering will be responsible for meeting the dates given for completion of design work.
- c. For all off-budget requests for capital projects in the general government, the project manager shall consult Engineering for cost and scheduling feasibility prior to management's review.

6. City Manager:

The City Manager shall finalize recommendations for all capital project requests during the annual capital budget process, and submit a proposed capital budget to the City Commission for

adoption. All recommended capital budget 5-year schedules will state when construction and design are estimated to commence and end.

7. City Commission

The City Commission shall review the City Manager's proposed capital budget, approve the capital budget 5-year schedule and adopt the ordinance establishing the annual capital budget.

B. Management of the Capital Program:

1. Project Opening Process:

- a. Based upon the City Commission's decisions, affected departments will submit project opening and/or amendment information to Administration & Professional Services for newly appropriated capital projects and existing projects, except as noted in 218.06(B)(1)(e).
- b. Administration & Professional Services shall create or update capital project records based upon capital project information, which, when concluded, will be disseminated to departments. This information will include a listing of projects opened or amended, including project numbers, except as noted in 218.06(B)(1)(e).
- c. Upon receipt of project opening/amendment information from Administration & Professional Services, department directors will prepare and submit project opening/amendment request forms including estimated actual opening and completion dates in accordance with instructions for proper form completion, except as noted in 218.06(B)(1)(e).
- d. Administration & Professional Services shall review and approve all capital project forms to ensure compliance with the City Commission's authorized appropriation and the activity schedule for design and construction. The Administration & Professional Services shall also input applicable capital project information to the PeopleSoft Projects module. Exceptions to this procedure are noted in section 218.06(B)(1)(e).
- e. Departments participating in project decentralization that have assumed full responsibility for processing capital projects will be responsible for the following:
 - 1) Opening and amending projects in the PeopleSoft Project module;
 - 2) Preparing and keying project-related journal entries in PeopleSoft; and,
 - 3) Other Project-related requirement identified by Administration & Professional Services.

2. Issuance of Addenda:

- a. Department directors or project managers shall submit to the Purchasing Division for review and approval, all proposed addenda prior to their issuance.
- b. All addenda must be signed by the Procurement Services

manager or designee, processed on City letterhead and reference the bid/request for proposal number and titles.

- c. In no instance shall consultants working on behalf of the City issue addenda without the prior review and approval of the Procurement Services Division.
- d. The Procurement Services Division shall process all properly proposed addenda within two (2) working days of receipt.

3. Capital Project Change Order Requests:

- a. Department directors and/or project managers shall submit change order requests for approval of all change orders for capital projects to be approved by the City Manager or designee. Such change order(s) shall be submitted to the City Commission if in excess of the funding amount specified in the Capital Budget.
- b. Department directors, with the exception of Electric and Gas, shall notify the Growth Management Department of all change orders that alter the capacity or the timing of the project.
- c. The Minority Business Enterprise (MBE) office shall be notified of any impact the change order may have on the MBE participation goals of the applicable project in accordance with section 16.5.74 (e) and (f) of the MBE policy. Change orders which alter the scope of work of an applicable existing contract shall be reviewed for compliance with the MBE policy.
- d. Department directors and/or project managers shall submit to Administration & Professional Services change order forms and any needed project opening and budget transfer forms within ten (10) working days after the City Commission's approval for execution of the approved change order.
- e. Administration & Professional Services shall review and authorize approval of all change order forms and project opening and budget amendment forms within five (5) working days of receipt in accordance with the City Manager's or City Commission's approval of such change orders. In instances where a project manager determines that the identified turnaround time for executing change orders would create a significant amount of additional cost or negatively impact the City's ability to enact cost savings, the associated change order will be considered an emergency and its processing fast-tracked within the City Manager's authority. Emergency approval can be obtained by telephone from the Director of the Office of Resource Management or designee with proper justification and a commitment to submit documentation within 24 hours or the next working day. To the extent

documentation is not received within this timeframe, the project manager shall be held accountable to the City Manager.

- f. The Treasurer-Clerk shall ensure that all appropriate signatures are executed and review all documentation for contractual compliance.
- g. Administration & Professional Services shall properly account for all transactions reflected in the change order, project opening and budget amendment forms.

4. Capital Project Supplemental Appropriation

- a. Designated project managers shall submit all requests for a supplemental appropriation to a capital project, to the City Commission for review and approval.
- b. Within ten (10) working days after the City Commission's approval, project managers shall submit any needed project opening and budget transfer forms to the Administration & Professional Services for execution of the approved supplemental appropriation.
- c. Within five (5) working days of receipt of the properly completed forms from the department, the Administration & Professional Services shall review and authorize approval of the capital project forms to ensure compliance with the City Commission's approval of the supplemental appropriation. If a written report of commission action has not been received from the Treasurer-Clerk's office within this timeframe, other means of verification are acceptable. Upon approval, applicable data shall be input to the PeopleSoft Projects module.

5. Capital Project Purchases and Contracts Awards

Project Managers shall comply with the purchasing policies and procedures manual. Purchases, change orders, and contract awards for all capital projects approved by the City Commission in the capital budget shall be approved by the City Manager or designee.

6. Intra-Project Budget Transfers

- a. Designated project managers shall submit all capital project forms requesting a budget transfer within the project budget directly to Administration & Professional Services.
- b. The Administration & Professional Services shall update capital project records upon receipt of the capital project forms from the department directors and/or designated project managers.
- c. These procedures will not apply to departments participating in Project Decentralization that have assumed responsibility for processing capital projects in the PeopleSoft Projects module.

7. Inter-Project Budget Transfers

All budget transfers between projects, except those specifically identified as intra- budget transfers, must be reviewed and approved by the City Commission.

8. Control of Over Expenditures

Department directors and project managers shall continually review all capital project balances to identify those which may incur deficits. As needed throughout the year, project managers shall submit an agenda item for the City Commission's approval requesting a supplemental appropriation for all projects in which a deficit is anticipated or has occurred. All applicable overhead charges and capitalized labor costs are to be considered into the deficit position.

9. Extension of Projects

- a. Care should be taken in establishing project starting and completion dates. The project starting date is the date activity will actually commence and the completion date is the date all activity (design, ROW, construction, equipment purchase and installation, financial transactions, etc.) will be complete. These dates need not coincide with fiscal year beginning and ending dates, except for recurring projects.
- b. All projects that will extend beyond their original or revised completion date require some formal action. The department director shall notify the respective Assistant City Manager and Administration & Professional Services concurrently, via the necessary completed project forms, five working days prior to the project date becoming past due. The Administration & Professional Services will amend the completion date, upon receiving approval from the respective Assistant City Manager.

10. Extension of Projects

- a. Care should be taken in establishing project starting and completion dates. The project starting date is the date activity will actually commence and the completion date is the date all activity (design, ROW, construction, equipment purchase and installation, financial transactions, etc.) will be complete. These dates need not coincide with fiscal year beginning and ending dates, except for recurring projects.
- b. All projects that will extend beyond their original or revised completion date require some formal action. The department director shall notify the respective Assistant City Manager and Administration & Professional Services concurrently, via the necessary completed project forms, five working days prior to the project date becoming past due. The Administration & Professional Services will amend the completion date, upon receiving approval from the respective Assistant City Manager.

11. Abandonment and/or De-obligation of Projects

- a. If a project is delayed significantly beyond its starting date, the department director, in conjunction with an Assistant City Manager, shall review the circumstances and make a recommendation regarding whether to postpone the project and de-obligate current funding until such time when the project is feasible.
- b. If the department director, in conjunction with an Assistant City Manager, determines that a project is not required or is not feasible at the scheduled time, the department should request approval from the City Commission for abandonment of the project.
- c. If the project is part of the capital improvement element of the comprehensive plan, the department must submit a notice of abandonment to Concurrency Management, stating the reason for abandonment. The department shall submit the request and Concurrency Management's response to the Administration & Professional Services prior to submission to the City Commission for approval.

12. Closing Projects

- a. All completed specific projects shall be closed by the project manager within thirty (30) working days of completion. This is to be executed with proper documentation and transmitted to the Administration & Professional Services.
- b. All recurring projects shall be closed or soft closed, if encumbrances exist, by the Administration & Professional Services at the end of the fiscal year. All applicable overhead charges are to be expensed from the project balance. Any recurring project that has not been fully expended by the end of the fiscal year will be returned to fund balance. Encumbrances remaining in these projects by March 31 the following fiscal year will be canceled, unless approved by the City Commission.
- c. For incomplete projects which will be closed as a result of Commission action (see section 218.06 B10), the project manager will submit project closing forms to the Administration & Professional Services within ten (10) working days of Commission action.

13. Transfer of Project Manager

Within ten (10) working days of authorization by the City Manager or designee, either through budget approval or direct action, the department director whose responsibility for project management has been removed by such action, shall initiate paperwork to transfer the responsibility for the project's management. The project amendment paperwork will be routed to the new project manager as a further means of notification. The new project manager will initial the project amendment paperwork and forward same to Administration & Professional Services.

C. Capital Project Management Reporting:

1. Capital Project Status Report:

- a. Department directors and/or project managers shall provide summary information to Administration & Professional Services on major activities which have taken place in all their major capital projects during the previous two quarters, including the status of design and construction schedule adherence. This information is due to Administration & Professional Services by the end of the month following the end of the second and fourth quarters.

Exception: The fourth quarter (or year-end status report) will be finalized after Administration & Professional Services presents its closeout report to the City Commission.

- b. Administration & Professional Services shall prepare a semi-annual report for the City Manager's review and submittal to the City Commission for the periods ending March 31 and September 30. The report will be based on information provided by departments, PeopleSoft Financial reports, change orders and supplemental appropriations approved during each six-month period.

2. Capital Project Financial Reports:

- a. Within fifteen (15) working days after the quarter, Administration & Professional Services shall prepare reports reflecting the financial status of each capital project fund. The year-end quarterly report will be provided to the City Commission within seventy-five (75) calendar days after the end of the fiscal year.
- b. **Other Issues:** Departmental information on the status of capital projects, financial reports and the semi-annual status report on capital projects prepared by Administration & Professional Services may be utilized by the City Manager in the performance appraisal of management staff.

218.07 RESPONSIBLE AGENCY

Administration & Professional Services shall have primary responsibility for the administration of this policy and will recommend amendments to the City Commission, as required, for the purpose of keeping this policy complete and up-to-date.

218.08 SUNSET PROVISION

The Capital Projects Management Policy shall be reviewed no later than five years from the effective date. Administration & Professional Services shall submit the policy to the City Commission for review at least 90 days prior to the sunset review date. If no action is taken on the policy prior to the sunset review date, the policy will automatically extend for another five-year period, or until the City Commission revises or terminates the policy.

218.09 EFFECTIVE DATE

The Capital Projects Management Policy was adopted and approved by City Commission on January 9, 1991.

REVISIONS

January 9, 1991

September 11, 1991

February 12, 1992

June 24, 1998

September 23, 1998

April 9, 2003 (approved May 14, 2003)

April 27, 2016