Multnomah County
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Program # 72071 - Facilities Capital Improvement Program (CIP)

Version 6/18/2010 s

Lead Agency: County Management

Program Contact: John Lindenthal

Program Offer Type: Internal Service

Related Programs:

Program Characteristics:

Executive Summary

The Capital Improvement Program actively monitors, upgrades, and improves the County's portfolio of Tier II* and III*(substandard) buildings. The Program preserves the County's assets by investing in improvements that maintain building values and provide accessible, functional, and energy efficient facilities.

Program Description

The Capital Improvement Program creates an annual 5-year Capital Plan that focuses on the County's 20 primary owned Tier II* and III** buildings. It works in conjunction with the long-term Facilities Strategic Plan which provides a basis for a sound investment strategy that addresses building needs and includes projects ranging from equipment upgrades to construction of new facilities. *A Tier II building is one that is a desirable part of the County's long-term portfolio but that has significant deferred maintenance needs which must be addressed. **A Tier III building is one that is uneconomic or impractical to improve to current County standards and is therefore designated for disposition. Capital expenditures are avoided or minimized in Tier III facilities pending disposition of the building, if possible.

The program allows Capital, bond/levy, grants, and other funding components to be distributed based on priorities established with the aid of a detailed needs assessment and a decision-scoring matrix. The program looks for project efficiencies that benefit the building users and extend the useful life of the building. The 5-year CIP Plan sets clear goals and fosters communication with all departments as well as providing a tool to facilitate collaboration with both internal and external clients and building users. The Facility Asset Management Evaluation (FAME) database projects a need of $4.58/sq.ft. annually over a 30 year period excluding seismic. If seismic was included, it almost doubles the need. We use the FAME database as one indicator to determine building needs. Currently the rate for FY10 is $2.55/sq.ft. and will be $2.75/sq. ft. in FY11. In addition to the annual increases, additional funding sources are needed. Workforce Training & Hiring Services formerly budgeted in DCM-Purchasing will now be paid for with capital project funding up to $19,000 for FY2011.

Performance Measures

Measure Type	Primary Measure	Previous Year Actual (FY08-09)	Current Year Purchased (FY09-10)	Current Year Estimate (FY09-10)	Next Year Offer (FY10-11)
Output	Completed CIP Projects	73.3%	85.0%	61.5%	85.0%
Outcome	Portion of Primary Owned Buildings which are rated as Tier I*	58.8%	58.8%	60.0%	60.0%
Outcome	Project Management costs ($/hr)	96	92	95	91

Performance Measure - Description

The metric (output) for completed projects are those adopted stand-alone projects that are scheduled to be completed in current fiscal year. Only multi-year projects which are scheduled for completion in the subject year are included in the metric. The project completion metric is set at 85%. This allows for flexibility in adjusting project schedules due to County needs and unforeseen circumstances. In FY10 to date, we continue to have a larger than expected number of unplanned/emergency projects. This year it includes Stimulus (ARRA) projects. This unplanned and unscheduled work affects planned projects completion. Further, new project management personnel has required training in project and contract processes and has affected project delivery.

*A Tier I building is one which is designated for long-term retention and which meets current County standards.

The Primary Owned Tier 1 building percentage change is due to the Martha Washington building. It was disposed of in FY10.

Comparable project management costs at the City of Portland are $103/hr in FY'09 (last year).

Legal/Contractual Obligation

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2010	2010	2011	2011
Contracts	$0	$0	$0	$1,206,000
Materials & Supplies	$0	$387,237	$0	$826,000
Internal Services	$0	$474,500	$0	$25,000
Capital Outlay	$0	$44,166,314	$0	$45,275,900
Total GF/non-GF:	**$0**	**$45,028,051**	**$0**	**$47,332,900**
Program Total:	**$45,028,051**		**$47,332,900**	
Program FTE	0.00	0.00	0.00	0.00
Program Revenues				
Fees, Permits & Charges	$0	$10,800,000	$0	$2,000,000
Intergovernmental	$0	$388,000	$0	$1,981,000
Other / Miscellaneous	$0	$33,840,051	$0	$43,351,900
Total Revenue:	**$0**	**$45,028,051**	**$0**	**$47,332,900**

Explanation of Revenues

5-18-2010 Estimated BWC of $24.575 million includes $3 million FY10 Deferred Maint Financing Proceeds
$350K Stimulus funding for Heat Recovery project from Dept of Energy ~ Fed funding
$1.350 million Stimulus and Energy Trust funding for Energy Saving Projects from Dept of Energy ~ Fed Funding
New funding $140K Jail bed rental to Clackamas & Washington Counties
$141K anticipated Project cost recovery from the City of Portland
$2 million estimated sale proceeds from Penumbra Kelly disposition
$95K interest earned on fund 2507 & $165K restricted interest earned on Portland Development Commission IGA
$3.3 million cash transfer from fund 3505 collected for Capital Program from Depts
and $150K for Yeon testing
$15 million East County Court Financing Proceeds

Significant Program Changes

Last year this program was:
Last year this program was: #72071, Facilities Capital Improvement Program (CIP). The proposed 8% increase in last years program offer(s) was funded for FY10 but is dedicated to a deferred maintenance bond debt payment. This years Program Offer includes a rate increase of 8% as proposed in the Board-approved Facilities Strategic Plan. Without the projected rate increases, the CIP will not be able to keep up with future building needs. In addition, periodic infusions of additional funds and/or other funding strategies will be needed.