

## ACPS CAPITAL IMPROVEMENT PROGRAM

### I. Purpose

This policy sets forth procedures for the development, approval, management and payment of projects in the Alexandria City Public Schools Capital Improvement Program (CIP). These procedures allow ACPS to secure capital project contracts and pay vouchers that comply with ACPS policy, Virginia Code and GAAP standards.

### II. Project Estimates

The Office of Educational Facilities is required to obtain independent, third party cost estimates for all capital improvement projects projected to exceed a value of \$500,000. The appropriate contingency values must be carried in the cost of the project depending on the nature of the project, as well as the impact of scheduled timelines. Contingency amounts may not exceed fifteen percent (15%) of the total project cost, unless justified and approved by the Superintendent or designee.

### III. Contract Development

A. Following the completion of VPPA requirements for bids and quotes, all contracts must be signed by the Superintendent or approved designee (ACPS Director of Procurement or Chief Financial Officer) upon meeting the following criteria, as documented below:

- Compliance with all applicable VPPA requirements is documented;
- The Procurement Office must confirm funding availability with the Budget Office for the entire amount of the contract;
- All contracting requirements as defined in the ACPS Procurement Manual apply to all business relationships funded through the CIP, and therefore must have been completed;
- The Procurement Office must submit all non-standard contracts exceeding \$1,000,000 to ACPS legal counsel for review;
- All contracts exceeding \$1,000,000 require School Board approval and the signature of the Superintendent or designee;
- School Board approval is required to transfer funds equal to or greater than \$50,000 from one CIP project and/or site/location to another CIP project and/or site/location; and
- All contract modifications/change orders that increase the original base CIP contract by more than ten percent (10%) or \$100,000 (whichever is greater) require School Board approval, in accordance with Policy FEG.

B. All work must be authorized in writing through the issuance of an executed contract, contract modification/amendment, purchase order, or change order. The Superintendent or designee may verbally authorize work in emergency situations where written justification and procurement approval is required within three (3) business days of the verbal authorization.

- C. Facilities staff must assign the CIP account code or codes prior to the negotiation or issuance of any contract. The Budget Office must confirm the validity and appropriateness of the CIP account code assigned to the contract. Contracts which cover more than one account code should include an allocation of the award by account code in the contract documents.
- D. The Procurement Office must notify the Budget Office when all CIP contracts are awarded to assure funds are verified and pre-encumbered through the Budget Office for the projected cost of the project, if known at the time of award.
- E. Upon notification of the awarded contract by the Procurement Office, Facilities staff must prepare a purchase order request for the total, approved contract amount and submit to Financial Services for approval. All procurement documents including purchase orders must be completed by Facilities and approved by Financial Services before any work may begin. All original procurement documents will be kept in Financial Services.
  - The Office of Educational Facilities will prepare the purchase order documents and sign as required.
  - A Budget Office analyst will review the account code for validity and the availability of funds.
  - The Budget Director or Assistant Budget Director will review and sign the documents.
  - The Procurement Director will review and sign the documents.
  - The Procurement Office will scan the processed purchase order, notify the Office of Educational Facilities of approval, and maintain purchase order documentation.
- F. Once the purchase order has been fully approved by all parties, Facilities staff will send the vendor a "notice to proceed" to include specific project/ task instructions, as well as a copy of the approved purchase order. Copies of these documents must be stored on the shared drive. Both Financial Services and Facilities staff are required to track payments made against purchase orders.

#### **IV. Payment Processing**

- A. CIP vouchers may be processed upon meeting the following criteria:
  - The appropriate contracting vehicle is in place, per the requirements of the VPPA, including where necessary, ratification of contracts as prepared and approved by the ACPS School Board Attorney and the

ACPS Director of Procurement;

- The work and amount as indicated by the invoice has been verified by the Office of Educational Facilities; and
- Funding is available in the CIP account code and purchase order, as verified by both Facilities and Financial Services.

B. All CIP vendors should submit invoices directly to Financial Services to the attention of the ACPS Budget Office. Invoices must include the following information to be considered acceptable by ACPS:

- Name, address, and phone number of submitting entity;
- Invoice date and billing period (billing periods may not overlap);
- Invoice reference number;
- ACPS purchase order number;
- ACPS contract number, if applicable;
- ACPS location of service or delivery of goods and related project description;
- Task information to include date(s) of service, task description, labor rates, position titles, including subcontractor company names when used;
- Reimbursable expenses, where billed separately, must be itemized with legible copies of receipts provided in accordance with ACPS travel regulations;
- Total invoice amount for the current billing period and any remaining or outstanding balances; and
- For design (architectural/ engineering) and/or construction services, the signature of the certified architect or engineer is required to certify that the invoiced work has been performed in accordance with the contract.

Note: When a vendor's invoice covers more than one project or account code, the vendor's invoice must allocate the applicable charges among those projects/account codes, and must provide any necessary supporting documentation for that allocation. If a receipt covers expenses for multiple projects, clearly identify which costs are being billed to the project being invoiced.

If invoices are submitted to Facilities, they should be date stamped on the day received, logged into the incoming mail log, and forwarded immediately to Financial Services.

C. Once received by Financial Services, invoices must be date stamped, reviewed for completeness, logged into the CIP outstanding invoices tracking file, scanned to the electronic filing system and routed to Facilities with the attached internal tracking and authorization sheet (CIP Payment Certification Form; item IV.(E) below).

- D. Facilities will log the invoice in its records and will verify receipt of goods or services and/or work performed, as well as validation that the amounts billed are in accordance with agreed upon contract terms to include labor rates and approved subcontractors.
- E. Facilities and Financial Services will sign and date the appropriate sections of the CIP Payment Certification Form (including Facilities' assigning the appropriate account code). The CIP Payment Certification Form must be completed in its entirety by Facilities and Financial Services and attached to each invoice. The tracking sheet includes the following items that must be verified before payment can be processed:
- Facilities assignment of the appropriate CIP account code and purchase order number;
  - Facilities verification of budget and availability of funds in the CIP account code and associated purchase order, work performed and invoice amount as noted in item IV.(A) above--signed by the Director of Design, and Construction and the Director of Educational Facilities;
  - In the event funding is not available for payment of an invoice, Facilities will need, if appropriate, to initiate a transfer in accordance with items V.(C-E) below; and
  - Budget verification for funds availability, signed by the ACPS Business Data Analyst or Budget Analyst.
- F. Facilities will also prepare the City of Alexandria Payment Voucher form. Authorized signers for Facilities include:
- Director of Educational Facilities
  - Director of Design and Construction
  - Chief Operating Officer
- In the absence of these individuals or if another staff member verified receipt of the goods or services, other staff members may be required to initial/cosign to verify the work was performed as delegated in writing.
- G. Once payment vouchers and invoices are certified by Facilities they will be returned to Financial Services along with all supporting documentation for final authorization of payment. Final payment authority is provided through the signature of the Director of Accounting. Once authorized by Financial Services, payment vouchers and all supporting documentation will be sent via electronic mail to the Office of Management and Budget for the City of Alexandria (City). Facilities staff members are not permitted to hand carry or otherwise submit payment vouchers to the City for processing. A scanned version of the authorized invoice package will be stored on the shared network drive. All original invoices will be kept in the Department of Financial Services.
- H. Wherever possible, invoices and payment vouchers should be completely

processed by ACPS and sent to the City for payment within 20 business days of receipt. This will allow sufficient time for the City to complete its review and payment process within the 45-day required payment period prescribed by the Code of Virginia.

- I. For fiscal year-end payment processing, ACPS Facilities staff will identify the appropriate fiscal year in which the capital expenditure should be recorded via notation on the internal authorization form and the City's voucher form. For all vouchers submitted on or after July 1, the fiscal year must be entered in the "description" field on the City's voucher form.
- J. ACPS and City staff must engage in an annual year-end review of CIP expenditures to ensure capital expenditures are recorded to the appropriate fiscal year. All vouchers submitted on or after July 1 through the completion of the annual financial audit for the same year will be subject to this review.

**V. Project Monitoring**

- A. Contract modifications and change orders are created to reflect any change in delivery, price or terms of a contract after review of the circumstances and a determination that the change is authorized. Requests are subject to the requirements of ACPS policies FEG and FEGA and the VPPA.
- B. All contract modifications and change order requests must be completed by Office of Educational Facilities staff, signed by the Director of Facilities, and submitted to Financial Services for verification and approval by the ACPS Director of Procurement or designee before work is performed.
  - All contract modifications/change orders that increase the original base contract by more than ten percent (10%) or \$100,000 (whichever is greater) require School Board approval, in accordance with this policy.
  - Only change orders properly reviewed and signed in accordance with these procedures will be considered effective.
- C. Requests for budget transfers must follow this policy, as well as School Board policies DA and FEG. For the purposes of this policy, all budget transfers that cross CIP account codes are subject to the approvals noted in item V. (D) below.
- D. The process for review and approval for all transfers is:
  - Preparation by Facilities staff;
  - Review and signature by the Director of Facilities and Chief Operating Officer;
  - Review and signature by the Budget Director; and
  - Review and signature by the Chief Financial Officer.

In the absence of any authorized signer, approval by the next higher-ranking

authority is sufficient with the Chief Financial Officer, or designee, having full authority to authorize budget transfers less than \$50,000.

- E. If the one-sided value of the transfer exceeds \$50,000 and crosses major CIP categories (as defined by the final budget approved by the School Board for the fiscal year) and/or site, or if deemed necessary by the Chief Financial Officer, additional approvals are required as follows:
- Review and signature by the Superintendent or designee;
  - Approval by the School Board by majority vote; and
  - Transmission to the City through City financial staff for processing.
- F. CIP expenditures will be reconciled on a bi-weekly basis by Financial Services and Facilities staff. Discrepancies will be forwarded to City financial staff and resolved for a complete reconciliation between ACPS and the City's accounting system.
- G. Facilities and Financial Services staff will meet monthly to review the CIP budget, accrual-based expenditures, encumbrances, cash balances and remaining budgetary balances by project.
- H. On a quarterly basis, a CIP financial and project status report will be prepared for the Superintendent and the School Board.
- I. On a quarterly basis, annual and/or project life cycle cash flow projections will be prepared by the Office of Educational Facilities and presented to the Chief Financial Officer. Any projected cash flow variance compared to the budget by project that will require a budget transfer will be discussed with the Superintendent.

## **VI. Use Of Capital Improvement Program (CIP) Fund Savings**

Alexandria City Public Schools will maintain fiscal accountability for all projects approved by the School Board as delineated in the annual adoption of the school division Capital Improvement Program (CIP). In the event that approved project funds exceed the actual and final cost of a project, the savings will be transferred to a contingency account within 90 days of closing out CIP projects, subject to the budget transfer approval requirements outlined in this policy and Policy FEG. During the budget process each spring and upon request, staff will provide a summary of current savings to the School Board. Such savings shall be used as shown below and in the order of priority specified.

1. Fund emergency repairs including system and equipment replacements if funding is not available.
2. Fund previously approved projects that are determined to be underfunded due to market condition changes, unanticipated project costs or programmatic adjustments as approved by the School Board.

3. Fund recommended capital projects that are not approved in the CIP budget, but are identified by the Superintendent or School Board as an area of need based on prioritization and anticipated costs. These projects may have been previously deferred.
4. Fund capital projects identified for future years to offset the funds that may otherwise be requested during the annual budget process.

All projects are subject to School Board approval prior to the actual transfer of funds out of the contingency account to support such projects.

**VII. Verification of Compliance**

Any ACPS staff member or contractor responsible for implementation of this policy (including the executive leadership overseeing these areas) will provide written certification that he or she has reviewed, and understands his/her responsibilities: (a) under this policy; and (b) under the VPPA, Conflict of Interests Act, and ACPS policies concerning relationships with vendors and the procurement of goods and/or services.

All signed forms must be returned to the Chief Financial Officer to be on file in the Department of Human Resources.

Established: May 1, 2013  
Revised: August 2015  
Revised: April 21, 2016  
Revised: December 5, 2019

Cross Refs.:	DA	Management of Funds
	DJA	Purchasing Authority
	DJFB	Contract Execution
	FA	Facilities Development
	FB	Facilities Planning
	FEG	Planning, Design and Construction



**Receipt Acknowledgement  
ACPS Capital Improvement Program (CIP) Policy**

Name of Employee: \_\_\_\_\_

Employee Position/Title: \_\_\_\_\_

School/Department: \_\_\_\_\_

Employee ID Number: \_\_\_\_\_ Work Phone: \_\_\_\_\_

I hereby acknowledge that I received a copy of Policy FEGA: *ACPS Capital Improvement Program* (herein referred to as the CIP Policy). I have read the CIP Policy and agree to abide by the guidelines defined or referenced within the document.

I understand that the information in the CIP Policy is subject to change and that changes in the Division’s policies may supersede or modify information contained in the CIP Policy. As procedures are updated, I accept responsibility for reading and abiding by the changes.

I understand that I am required to familiarize myself and abide by all ACPS policies concerning any purchasing and/or contracting requirements and the ACPS Procurement Manual. I also understand that the procurement of all goods and services are governed by the Virginia Public Procurement Act of the Code of Virginia (VPPA) (§ 2.2-4300 et seq. as amended) and it is my responsibility to follow and comply with all VPPA requirements, which can be found at <https://law.lis.virginia.gov/vacode/title2.2/chapter43/>.

I accept responsibility for contacting my supervisor, the Director of Procurement, or the Chief Financial Officer if I have any questions, concerns, or need further information about the contents of the CIP Policy.

\_\_\_\_\_  
Signature of Employee

\_\_\_\_\_  
Date





CIP Payment Certification

<b>Budget Office</b>		
Fiscal Year _____		Received by Budget _____
Vendor Name _____		
Invoice Date _____	Invoice # _____	Invoice Amount _____

**Certifications**

<b>Budget Office</b>	
Budget Available <input type="checkbox"/> Yes <input type="checkbox"/> No	
Available OCA Budget _____ (before the attached invoice is processed)	Available OCA Cash Allocation _____ (before the attached invoice is processed)
I, the undersigned, certify to the availability of funds for the attached invoice, referenced above, based on OCA budget, less submitted invoices and encumbrances to date. This certification is solely for the purpose of funds validation.	
_____ <i>Capital Program Analyst</i>	_____ Date

<b>Office Of Educational Facilities</b>	
	Received by Facilities _____
Work Location(s) _____ Project Name/Description _____ PO Number _____	<b>Account Code</b> _____ Original PO Amount _____ PO Change Orders Requested _____ New PO Amount _____ Current PO Balance _____ Invoice Amount _____ Remaining PO Balance _____ (Remaining balance after processing of attached invoice)
Work Validated <input type="checkbox"/> Yes <input type="checkbox"/> No	
I, the undersigned have reviewed the attached invoice, referenced above, for accuracy and completeness of goods received, and that the services and/or the work performed are within the terms of the existing contract. We also certify that the project complies with all School Board policy requirements, as specified in the Facilities policies.	
_____ <i>Director of Design and Construction</i>	_____ Date
_____ <i>Director of Educational Facilities</i>	_____ Date

Form Version Date December 2019