

BPW & Project Funding Components

- Approved Capital Budget sets authorized budget amount for programs & projects
- Approving Project at BPW
 - Includes fiscal note with preliminary estimated total project costs including construction, design, inspection, City materials, etc.
 - Fiscal note is review by Engineering & Finance staff to ensure that there is sufficient authorized budget before it goes to BPW
 - If there isn't sufficient budget based on estimate, will either need to do a budget amendment (through Finance Committee and Common Council) or change scope of project to fit budget
 - Either option would typically be done prior to coming to BPW for approval
- Resolution typically also authorizes project to be bid

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- Bids for project received, and awarding contract resolution to BPW
 - Staff prepare a construction estimate with bidding process
 - Mostly used by perspective bidders for bonding purposes
 - Staff review bid prices and total amount to ensure within authorized budget
 - If sufficient budget, OK to award assuming responsible bidders, etc., even if OVER construction estimate
 - If there isn't sufficient budget, will either need to do a budget amendment (through Finance Committee and Common Council) prior to or in coordination with contract award or recommend to reject all bids
 - Once Contract is awarded by BPW & CC and is routed through City agencies, funds for the total contract amount are encumbered
 - No longer automatically encumber the 8% contingency

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- Project proceeds to construction, some change orders (CO) come to BPW, which meet any of the following criteria:
 - Over \$20,000
 - Change in duration of contract
 - Significant change in or added scope
 - Once total COs reach 8% of contract value, all future COs, even \$1
 - 8% was set for policy based on historically encumbering an 8% contingency w/ contracts
 - State Law caps total change orders on a contract at 15%, with some exceptions
- Only Change Orders that are still within authorized Capital Budget will come to BPW
 - If pushes over auth budget, will need a corresponding Budget Amendment
- Change Orders encumbered once approved by BPW