

Capital Budget Committee
Town of Sherborn
Capital Request Guidance

The purpose of this document is to provide guidance to those who are bringing capital requests to the Capital Budget Committee prior to contacting Advisory or directly submitting Warrant Articles to the voters at Town Meeting. All capital requests for the Town of Sherborn must go through the Capital Budget Committee. Our goal is to help set expectations for the kinds of background information, analysis, and documentation that are typically required to fully vet these requests. By outlining these expectations in advance, we hope to streamline the process for everyone involved.

What qualifies as a capital request*

A capital improvement or project is a physical betterment or item of equipment having a useful life, of at least five years, and a cost of \$10,000 or more.

Deadline for making a request*

Town Boards, Officers, and Committees who are requesting capital funds must prepare and file with the Committee detailed estimates before February 1st of each year,

General guidance

In presenting the project to the Committee, the presenter should be clear about the nature of the project. The presenter should clearly state if the project addresses near-term safety issues, responds to a regulatory mandate, represents an opportunity to reduce or avoid future costs, represents an opportunity to enhance services cost-effectively.

Note that all capital requests require at least three bids.

It is critical to provide **quantitative data** to support your argument, both in the description of the problem as well as the potential of the solution. For example, if the request is for a change in traffic patterns to mitigate a dangerous intersection, it would be important to provide data on the number of accidents (particularly trends in the number over time), as well as data on how the proposed solution has reduced accidents when applied in other places.

It is also important to demonstrate that you have explored **alternative approaches** to addressing the issue, why those approaches are not acceptable and can show that the proposed solution is the superior one under the circumstances. The more quantitative that support, the better (for example, lower up-front costs or a more cost-effective solution in the long term).

Finally, it's important to consider other ways of funding the request, and to demonstrate why or why not funding alternatives are being used in addition to or in place of the capital request.

*From the town by-laws

Situation-specific guidance

Building on these general guidelines, two categories of requests warrant additional guidance, including 1) Major building renovation and/or repair; 2) Equipment purchase and/or replacement.

For both of these categories, provide a summary of your request by completing the [Sherborn Capital Budget Request Form](#). Instructions are included in the form. Please submit this form along with supporting documentation *in electronic format* to Maria Kadison, Chair of the Capital Budget Committee, mariakadison@gmail.com.

Major building renovation/repair

Distinct from ongoing upkeep and investment in a facility, such as the annual requests from Pine Hill School, major building renovations and repair are single requests that often run well into six figures. Based on experience, we've learned that the best approach is a two-step process that unfolds over multiple budget cycles. The first step is to request an **engineering study** (or the equivalent), in order to:

- Establish the **need** for the project;
- Fully understand the **scope** of work; and
- Get an informed **estimate** for the cost of the full project.

This is an absolutely critical step, so as to avoid coming forward with an ill-formed or incomplete full request. As part of a potentially larger capital project, it can make sense to fund the cost of the study with capital funds, if, for example, the cost of the study is greater than \$10,000 and cannot be covered with annual operating funds. However, it's important to note that a recommendation of favorable action for a study does not guarantee a similar recommendation for the full project.

Step two is the full request, which should build directly from the engineering study. The Committee requires documentation of **three quotes** for the work, and all the general guidance above applies to these types of requests.

Equipment purchase/replacement

Equipment purchase or replacement includes things such as fire trucks, CM&D trucks, tractors, etc. The CBC requires the following in order to fully vet these requests:

- Clearly establishing the **need** for the equipment, even in the case of replacing existing equipment. This can include quantitative or qualitative information such as the role the equipment plays in delivering town services, escalating repair costs in the case of aging equipment, or benchmarking similar towns to demonstrate how Sherborn's approach is similar (or better)
- A full exploration of the various **options** for filling that need. This could include new or used equipment, or even working across functional silos in the Town (for example,

sharing tractors or trucks between the schools and CM&D, if possible), and should fully explore the pros and cons (including purchase and operating costs as well as benefits) of each option

- A **recommendation** as to the best option based on the analysis described above

As you are putting together your analysis in accordance with the guidance above, members of the Capital Budget Committee are happy to provide input and suggestions as to what will be most helpful. Our goal is to get to the right answer for the Town in the most efficient manner possible for everyone involved.

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