

Policies and Procedures

No. 47

SUBJECT:

Board Approval: 5/13/04

CAPITAL PROJECT BUDGET AND SCHEDULE REVISION

PURPOSE:

To establish procedures for revising capital project budgets and schedules.

BACKGROUND:

The MTS annual adopted budget document includes the amount of funding available for each approved capital project. Prior to contract award or expenditure of funds, the individual project managers submit a Capital Projects Budget Change Request Form (attached) to establish the initial detailed project budget and schedule for each MTS project and planning study. Detailed budgets are based on cost estimates for each line item, such as planning, engineering, right-of-way, construction, etc. Schedules are developed for all capital projects and a few of the more-involved planning studies. These schedules are based on the number of working-day estimates for major tasks, such as advanced-planning studies, preliminary engineering, design, and construction. The project budgets and schedules are further refined, using the Change Request Form, as the project proceeds through various phases of planning, design, and construction.

This policy would establish the project control coordinator as the focal point to administer the project budgets and schedules; procedures for reporting, status updating, analyzing, and notifying when there is need to revise budgets and schedules; and the procedure for revising the budget and schedules as the project progresses toward completion.

PROCEDURE:

47.1 Budget and Schedule Establishment

On each capital project and planning study listed in the annual adopted budget, prior to awarding a contract or charging expenditures to the project, the project manager will submit a Capital Projects Budget Change Request Form (sample attached) to establish the initial detailed budget and schedule. The project control coordinator will monitor the form through the signature cycle and develop the detailed budget



document and schedule for the project once the form is returned with the appropriate signatures.

47.2 Budget and Schedule Monthly Status

Once the project has an established budget and schedule, there will be a monthly status of activity. Each month the project manager receives a notice from the project control coordinator to provide status information for the previous month's activity. This information includes project progress for the month, percentage of completed active tasks and concerns or corrective actions. With this information, all budgets and schedules are updated with month-end expenditures and task percentage completed and then distributed to project managers and senior management.

47.3 Variance Reports

If there is a variance from the baseline budget or schedule, the project control coordinator will issue a variance report to the project manager which describes any negative line item balance in the budgets or schedules that are behind or late. If a project has a negative balance (either total budget or individual line item) or a late schedule, the project manager submits a Change Request Form to correct the variance. The Change Request Form is submitted for signature, and, once signed, the project control coordinator corrects the budget and schedule. The corrected budget supersedes the information previously approved as part of the annual MTS budget. The corrected schedule supersedes the previously approved baseline schedule. The signed and completed Change Request Form is filed to provide documentation of changes to each project budget and schedule, and a copy is sent to the project manager, the grants manager (when applicable), and the director of finance and administration.

47.4 Approval Process for Budget or Schedule Changes

The established approval process for budget and schedule changes includes review and signature of the grants manager, the project manager, the project manager's supervisor, the project manager's director, and the project control coordinator once the change is complete. In addition, on LRT extension projects with changes to the total budget or significant changes to the schedule, the Chief Executive Officer will review the changes and make a recommendation to the MTS Board of Directors. Then the MTS Board would review the budget or schedule changes for information and approval.

47.5 Midyear Budget Adjustment

Midway through each fiscal year, the annual budget is adjusted to reflect current trends and any changes since adoption. The project control coordinator will provide to the Chief Executive Officer with a list of changes to the capital projects based upon the processed and approved Change Request Forms. These changes will be reflected in the midyear budget adjustment.

The Chief Executive Officer will provide a recommendation to the MTS Board of Directors for approval.

PWalla/SChamp/JGarde
POLICY.47.CIP BUDGET & SCHEDULE REVISION
7/19/06

Attachment: Sample Capital Projects Budget Change Request Form

Original Policy approved on 3/27/97.

Policy revised on 5/13/04.

PROJECTS BUDGET AND SCHEDULE CHANGE REQUEST FORM

DATE: _____

PROJECT
NUMBER: _____

PROJ. NAME: _____

PROJECT
MANAGER: _____

EXPENDITURES / BUDGET

DESCRIPTION	ORIGINAL PROJECT BUDGET	CURRENT BUDGET (AS IT IS IN IFAS)	REVISED BUDGET	CURRENT BUDGET CHANGE	CUMULATIVE BUDGET CHANGE
	0.0	0.0	0.0	0.0	0.0
	0.0	0.0	0.0	0.0	0.0
	0.0	0.0	0.0	0.0	0.0
TOTAL:	0.0	0.0	0.0	0.0	0.0

JUSTIFICATION FOR BUDGET CHANGE: Your justification should include why you are making the change and how it will affect completion of the overall project

Change No. 1

Change No. 2

Change No. 3

Change No. 4

Change No. 5

REVENUES / BUDGET (FINANCE DEPT.)

PROJECT NUMBER	PROJECT NUMBER	ORIGINAL TOTAL BUDGET	CURRENT TOTAL BUDGET	REVISED TOTAL BUDGET	CURRENT BUDGET CHANGE	CUMULATIVE BUDGET CHANGE
		0.0	0.0	0.0	0.0	0.0
		0.0	0.0	0.0	0.0	0.0
		0.0	0.0	0.0	0.0	0.0
		0.0	0.0	0.0	0.0	0.0

SCHEDULE CHANGE (CONSTRUCTION AND DEVELOPMENT PROJECTS)

ACTIVITY I.D. DESCRIPTION	ACTIVITY I.D. DESCRIPTION	APPROVED BASELINE START	REVISED START	APPROVED BASELINE FINISH

JUSTIFICATION FOR SCHEDULE CHANGE:

APPROVAL SECTION

GRANTS MGR.: _____
 PROJECT MGR.: _____
 SUPERVISOR: _____
 DEPARTMENT DIRECTOR: (\$50K) _____
 CHIEF DEPUTY EXECUTIVE DIRECTOR: (\$100K) _____

ACTION

SCHEDULED FOR BOARD/COMMITTEE ACTION: _____
 MEETING (e.g. SANDAG TC): _____
 AGENDA ITEM #: _____
 APPROVAL DATE: _____
 INPUT INTO IFAS: _____