



Capital Committee Project Scoring and Evaluation Criteria

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The purpose of this document is to outline the specific Project Scoring and Evaluation Criteria that will be used by the Capital Committee (the “Committee”) when considering capital project funding requests. Overall, the purpose of the Committee’s Project Scoring and Evaluation Criteria is to:

- 1) support the Committee’s budget deliberation through supported and evidence-based decision making;
- 2) provide transparency to Administration’s recommended capital budget; and
- 3) to ensure that all projects, whether recommended for funding or requested by Administration, councillors, community groups, or other stakeholders, are scored equitably.

This document also defines key terms that will be used by the Capital Committee during its deliberations.

Project Scoring and Evaluation Criteria

The project scoring and evaluation criteria to be followed by the Committee are as follows:

- 1) Capital project scoring will be applied to all asset categories (Lifecycle, Enhancement, or Strategic Initiative). Committee members will be fully briefed by Administration on the information used to support the evaluation criteria.
- 2) Administration will evaluate all capital budget requests based on this procedure's ranking criteria, recommending medium to large capital budget requests to the Capital Committee. Small projects will be ranked and recommended to Council by Administration. Project size is defined as follows:
 - (a) Small: \$0 – \$400,000
 - (b) Medium: \$400,001 – \$1,000,000
 - (c) Large: \$1,000,001 and above
- 3) The Capital Committee will evaluate, prioritize, and recommend capital budget requests on medium and large-sized projects to Council.
- 4) Capital projects will be ranked using the information in the project brief and attached reports and studies, and in accordance with *Multi-year Budget Policy C-709*, *Capital Budget Policy C-707*, and *Asset Management Policy C-708*.
- 5) Ranking is based on the weighted criteria for Health & Safety Impact, Regulation and Legal Compliance, Project Category, Strategic Significance/Alignment, Financial Impact & Feasibility, and Community & Regional Benefit, to a maximum of 100 points:



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(a) **Health & Safety Impact (Maximum 25 points)**

The criteria included in this category are intended to ensure that projects directly impacting the well-being of residents, staff, or the environment are prioritized as required. A project will receive a score for this category if it:

- (i) addresses a risk of injury or fatality to the public or staff (Maximum 15 points);
- (ii) is required to meet an occupational safety requirement (Maximum 5 points); and
- (iii) addresses resilience in emergencies (Maximum 5 points).

(b) **Project Category (Maximum 15 points)**

The criteria included in this category are intended to ensure that specific project classifications being prioritized for county growth purposes get addressed, such as through the category ranking:

- (i) Identified in council fiscal management strategy as a high priority

(c) **Regulation and Legal Compliance (Maximum 15 points)**

The criteria included in this category are intended to ensure that projects with direct impact to the municipality's ability to avoid legal penalties, comply with codes, or fulfill legislated requirements are prioritized. A project will receive a score for this category if it:

- (ii) addresses mandatory legal requirements (Maximum 6 points);
- (iii) addresses the County Council's policy obligations (Maximum 3 points); and
- (iv) addresses regulatory standards, whether legislated or mandated by a particular industry (Maximum 6 points).

(d) **Strategic Significance/Alignment (Maximum 15 points)**

The criteria included in this category are intended to measure the strategic importance, both current and historic, of the capital project being considered. A project will receive a score for this category if it contributes to the County's critical objectives:

- (i) identified in a strategic plan, comprehensive plan, project plan, master plan, technical report, study, or Council decision (Maximum 7.5 points); and
- (ii) the project allows Council and Administration to improve on an existing service standard or operational requirement previously committed to by the County (Maximum 7.5 points).



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(e) **Financial Impact & Feasibility (Maximum 15 points)**

The criteria included in this category are intended to measure the financial impacts and the feasibility of the capital project being considered. A project will receive a score for this category if it contributes to:

- (i) annual costs – consideration if the project will optimize or benefit existing County infrastructure and/or reduce long-term capital, operation, and maintenance costs. Operating departments may provide year-by-year estimates of the additional costs or reductions in the operating budget because of the new project (Maximum 2.5 points);
- (ii) project timing and cost benefit – project implementation is often time sensitive and unnecessary costs can be incurred if critical infrastructure projects are delayed. Projects that are ready for implementation and have lower risk with respect to scope, cost, and schedule should be a priority (Maximum 2.5 points; select all that apply);
- (iii) implementation under County control – no complicated regulatory approvals, land acquisition, or third-party agreements (Maximum 3 points);
- (iv) project requires completion within a 10-year timeframe. Projects requiring completion in a greater than 10-year timeframe would not receive any points in this category (Maximum 2 points);
- (v) funding through alternative sources – projects that are supported financially through non-tax-based revenues should be a priority. Examples include project proponent contributions, local improvement taxation, and eligible grant programs (Maximum 2.5 points); and
- (vi) the likelihood that a project would proceed and be successful, and the risk with respect to scope, cost, and schedule is considered (Maximum 2.5 points).

(f) **Community & Regional Benefit (Maximum 15 points)**

The criteria included in this category are designed to measure the community and regional benefits of the project. A project will receive a score for this category if it contributes to:

- (i) economic impacts to property values, future tax base, added jobs, and income. Such impacts may be related to community growth and expansion (Maximum 5 points);
- (ii) public perception of a need that has been identified within project plans and community support (Maximum 4 points);
- (iii) improved relationships and/or partnerships with other jurisdictions, and/or intermunicipal collaboration (Maximum 3 points); and



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- (iv) who will the project benefit? Improvements that benefit many constituents (regional benefit) should be a higher priority than those that benefit only localized areas (local benefit):
 - (1) Regional Benefit (Maximum 2 points); and/or
 - (2) Local Benefit (Maximum 1 points)
- 6) Funding sources will be applied in accordance with *Capital Budget Policy C-707* and prioritized using the following descending order of consideration approach to ensure optimal use:
 - (a) grants are a priority funding source because they reduce the financial burden on taxpayers. However, a capital project must meet a granting program's eligibility and timelines for this to be a viable funding source;
 - (b) third-party contributions are a priority funding source because they reduce the financial burden on taxpayers. Third-party funding is tied to the interests of external partners, such as developers or community organizations, and is typically project-specific;
 - (c) off-site levies are a legislated funding source under the *Municipal Government Act*, allowing municipalities to enact bylaws assigning levies for specific capital projects;
 - (d) capital reserves are used for planned asset lifecycle management and strategic capital investments. Capital reserves are mainly funded through taxation set aside in advance through the budgeting process. The funding requirements of a capital project must meet the intended purpose of the reserve while maintaining a minimum reserve threshold for this to be a viable funding source;
 - (e) debt financing is used for major capital projects with long-term impacts to the County's economic, environmental, or social well-being. This method supports advancing strategic infrastructure while spreading costs over the asset's useful life. Debt financing is preferred for large capital projects that will benefit future taxpayers. Debt utilization is in accordance with legislated and policy limits; and
 - (f) taxation (property and local improvement levies) may be considered for capital projects ineligible for the funding methods listed above, considering the tax increase's impact on taxpayers. It may also be used for projects where debt financing is not preferred.
- 7) At the completion of a capital project, unused capital budget amounts will be released and treated as unallocated discretionary capital funding, available for future planned or emergent capital needs.
- 8) The Capital Committee will be updated on project funding carry forward through regular financial reporting, and carryforwards are not reapproved through the budget process.



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Definitions

- 1) “Administration” means the operations and staff of Rocky View County under the direction of the Chief Administrative Officer;
- 2) “capital budget” means a budget adopted in accordance with sections 245 and 246 of the *Municipal Government Act*, which includes the costs of planned capital investments and the anticipated sources of funding and financing;
- 3) “Capital Committee” means a committee of Council established to recommend asset category funding allocations and capital projects to be included in the budget;
- 4) “capital project” defined as budget requests over \$400,000 that the Capital Committee reviews and prioritizes. These projects involve County-owned assets, assets located on County land, assets maintained by the County through partnership agreements, or assets that support key County goals.
- 5) “Council” means the duly elected Council of Rocky View County;
- 6) “lifecycle Renewal” means capital spending to repair, maintain, and replace an asset to its original standard or service level; and
- 7) “operating budget” means a budget adopted in accordance with Sections 242 and 243 of the *Municipal Government Act*, outlining the estimated amounts for revenue, expenses, and transfers.