1.0 PURPOSE

To establish procedures for submitting Capital Improvement Project (CIP) requests for the Department of Public Safety (PSD).

2.0 REFERENCES, DEFINITIONS, AND FORMS

.1 References

a. ADM 06-01-1, Capital Improvement Justification Form Instruction


c. Governor's Executive Memorandum, Subject: Budget Execution Policies and Instructions, published annually, URL:http://budget.hawaii.gov/statewide-policies/executivememorandums/

d. Hawaii Administrative Rules (HAR), Title 3, Department of Accounting and General Services, Subtitle 11, Procurement Policy Board, Chapters 120-132, Goods, Services & Construction

.2 Definitions

a. Capital Improvements Project: A Capital Improvements Project (CIP) is defined as expenditures necessary to provide a tangible asset which will be used and is capable of accruing benefits in future periods. The intent of the project may be either to provide new facilities or to increase the value of an existing fixed asset by increasing its capacity, efficiency, or extending the original useful life. CIP projects are funded through the applicable HAR, HRS, legislative processes and approved by the governor.

b. Repair and Maintenance Project: A repair and maintenance project (R&M) is defined as expenditures necessary for preventative and routine maintenance purposes, preservation or restoration of an existing facility to a good condition. A restoration which must be repeated or does not extend the original useful life of the facility must be considered an R&M project. R&M projects are funded with the facility's operating budget.

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.3 **Forms**

a. PSD 1610, Capital Improvement Justification Form

### 3.0 POLICY

It shall be the policy of this Department to:

.1 Establish and adhere to a formal CIP submittal process in order to support timely and responsible facility improvement initiatives and reduce the backlog of deferred maintenance across all PSD facilities and offices.

.2 Encourage the submittal of capital improvement project requests that would support health and safety, security, efficiency in PSD facility and program operations, etc.

### 4.0 CIP PROJECT PROPOSAL PROCEDURE

.1 During the course of each year, each facility/program should identify, list and prioritize potential CIP projects for the facility/program. The following is a summary of duties and responsibilities.

a. **DIRECTOR/DEPUTY DIRECTORS**

1. Review, approve/disapprove, and prioritize all CIP project requests submitted by the Chief Planner and/or CIP Coordinator for submission to the State Legislature.

2. Delegate responsibilities to the Facility/Office Administrators to authorize and sign all CIP request submittals.

3. Sign all CIP contracts and related documents (to include all MOAs and MOUs) for the Department.

b. **ADMINISTRATIVE SERVICES OFFICE (ASO)**

1. Establish and administer the Department's CIP program and CIP project submittal process.

2. Provide guidance and assistance on CIP contractual matters.

3. Review and process any required CIP documents for completeness.

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c. **ADMINISTRATORS AND SUPERVISORS**

1. Ensure compliance with ADM.06.01.

2. Ensure the proper submittal of CIP forms and ensure it is submitted in a timely manner (i.e., meets prescribed deadlines).

3. Ensure that the supplemental instructions located in the Administration Division intranet website are adhered to.

4. Ensure there is a bona fide need for the proposed CIP project.

5. Review, properly complete, and sign that the CIP submittal form.

6. Participate in the CIP project submittal review and collaboration process.

7. Document and retain all CIP submissions for future reference or resubmittals.

d. **DEPARTMENTAL EMPLOYEES**

1. Submit ideas and proposals for potential CIP projects to immediate supervisor with a copy to the facility/program administrator.

2. Adhere to policy ADM.06.01 instructions and the supplemental instructions located on the Administration Division Intranet website.

3. Participate in the CIP project submittal review and vetting process, when requested.

.2 In June of each year, each facility/program should select a number of potential CIP projects from the list in paragraph 4.1 above that The facility shall submit for consideration by PSD Administration by completing PSD 1610, Capital Improvement Justification Form. Use PSD 1610, Capital Improvement Justification Form Instruction as a guideline for properly completing the form. The justification forms shall be completed and submitted to the Warden by June 30th of each year.
The Warden/Program Administrator shall review the form for completeness and accuracy. The Warden/Program Administrator, or designated representative, shall sign the form to represent his/her agreement with the information on the form and the validity of the proposed project.

During the month of July, a meeting to review the facility CIP project submittals (i.e., justification forms) will be scheduled by the Chief Planner and/or CIP Coordinator. The facility will use this meeting as a forum for facility staff to provide a better understanding of the merits of each project proposal to the Warden and Chief Planner and/or CIP Coordinator.

a. In preparation for the meeting, the facility shall prepare hard copies of all project justification forms (including photographs and supporting data where applicable) for the Chief Planner/CIP Coordinator, in priority order. The hard copies of the justification forms must be provided to the Chief Planner/CIP Coordinator (7) business days ahead of the meeting schedule.

b. Attendees may include Security and Operations personnel, Maintenance personnel, Administrations personnel, and others who have a project proposal being discussed.

c. A record keeper, from the facility, shall be assigned to take minutes and ensure all attendees have signed the attendance sheet. The attendance sheet shall be included as part of the meeting minutes report, which shall capture all committed actions and due dates.

d. Any revisions or adjustments or prioritizations or recommended committed actions to the project proposals arising out of the meeting shall be completed immediately following the meeting and captured in the minutes. The minutes should be issued within (3) business days with copies to the Warden, Chief Planner, CIP Coordinator, and facility program administrators.

The facility/program shall submit (via email) their finalized and signed Capital Improvement Justification Forms in electronic format to the CIP Coordinator by the first Friday in August of each year. No substitutions (e.g., Form A) for the Capital Improvement Justification Form will be accepted for review. A list that clearly conveys the facility’s project priorities should accompany the submittals. No projects with the same priority preference. No action will be taken on unsigned forms.
.6 Each year the facility shall submit a prioritized list of deferred maintenance items to the CIP Coordinator by the first Friday in August. Priority should be given to:

   a. Fixing aging buildings and structures
   b. Replacement of equipment and infrastructure that is not working, breaking down often, or nearing the end of its life-cycle
   c. Compliance with City & County, State, and Federal requirements.

All submittals to the CIP Coordinator shall be sent via email in electronic format (preferably in MS Word or Excel format).

.7 All submittals for programs not under Institutions Division (i.e., Food Services, Education, Health Care, etc.) shall submit Capital Improvement Justification Forms containing project requests that may affect facility security and operations to the Wardens for concurrence prior to submitting the request to the CIP Coordinator.

.8 Resources for CIP Projects

   a. Instructions on how to complete the Capital Improvement Justification Forms can be found in the Administration Division intranet website, Capital Improvement Projects section.

   b. A library of past submittals of Capital Improvement Justification Forms can be found at the Administration Division intranet website for reference. The library is maintained by the Planning and Research Unit of the ASO and updated annually.
5.0 **SCOPE**

This policy applies to all divisions, branches and staff offices within the Department.

APPROVAL RECOMMENDED:

[Signature]

**June 07, 2018**

Deputy Director for Administration

Date

APPROVAL RECOMMENDED:

[Signature]

**6/18/18**

Deputy Director for Corrections

Date

APPROVAL RECOMMENDED:

[Signature]

**6/18/18**

Deputy Director for Law Enforcement

Date

APPROVED:

[Signature]

**6/8/18**

DIRECTOR

Date

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1.0 GENERAL INFORMATION

1.1 Introduction:

The information provided in this document is to be used to assist in the completion of the Capital Improvement Justification form (PSD 1610) required to justify a capital improvement project (CIP), including major replacements, upgrades, and renovations.

Following the guidelines provided should help to ensure that much needed facility capital projects have a better chance of being funded.

As much detail as possible should be provided for each of the items listed below. Items such as time frame for the project and impacts to personnel should be taken into consideration and documented.

Several projects under the same fiscal year can be included in the same request. Describe projects to be completed in three to five years to allow time for decisions to be made. More explanation regarding decision making and priority will be found at the end of the document.
2.0 FORM INSTRUCTIONS

<table>
<thead>
<tr>
<th>A. General Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>1a. FACILITY:</td>
</tr>
<tr>
<td>2. PROJECT NAME:</td>
</tr>
<tr>
<td>3. PROJECT LOCATION IN FACILITY:</td>
</tr>
<tr>
<td>4a. CONTACT NAME</td>
</tr>
<tr>
<td>5. EST. COST OF PROJECT IN CURRENT YEAR DOLLARS:</td>
</tr>
</tbody>
</table>

6. Immediate Supervisor Signature

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SECTION A. GENERAL INFORMATION

A.1a/b. Facility Name and Address
Provide the name and location/address of the facility.

A.2. Project Name
The project name should provide a brief description of the specific project. The name should be an easy identifier for everyone involved in the project, from the facility staff to the department of administrative services.

*For example: HCCC Building 3-Replacement of roof and waterproofing system.*

A.3. Project Location in Facility
The project location should identify the specific area of the facility where the work will actually be performed. Information that should be included, in particular, is the name of the building and the location in the building where work will be performed. The location information should be detailed enough that a person not familiar with the site could easily be directed to the proposed project location.

*For example: Module A roof.*

A.4a. Contact Name

The contact name should be the person completing the CIP justification form. The contact person should be the individual with the most information regarding the project and who can best explain the project to others.

A.4b. Position/Title
The position/job title of the project contact person.

A.4c. Number/Ext.
Best method to reach the project contact person by voice.

A.4d. Email
Best e-mail address for the project contact person.

A.5. Estimated Cost of Project in Current Year Dollars
Costing information should be based on quotes or estimates from Department of Accounting and General Services (DAGS), contractor, vendors, engineers, or other reliable sources. Estimated cost ranges are also acceptable.

A.6. Immediate Supervisor Signature
Obtain immediate supervisor’s signature of the person submitting this form.
INSTRUCTIONS FOR COMPLETION OF CAPITAL IMPROVEMENT JUSTIFICATION FORM

B. Project Category/Categories

☐ 1. LIFE SAFETY
☐ 2. CONDITION OF CONFINEMENT
☐ 3. SECURITY OPERATIONS
☐ 4. FACILITY COMPLIANCE
☐ 5. GENERAL IMPROVEMENT

☐ 7. OTHER (PLEASE NAME).

SECTION B. PROJECT CATEGORY/CATEGORIES

B.1. Life Safety
Life safety projects directly address the protection of occupants and minimizing the danger to life. This includes danger from fire, smoke, gases, or the failure of security equipment, critical mechanical and electrical equipment, or other essential equipment and systems that involve staff and inmate life safety. Include any mandates or recommendations from Health Department inspections, Fire Marshal Inspections, or inspections from any other regulatory agency (see Code Compliance, B.5).

B.2. Condition of Confinement
Condition of confinement projects affect the general condition of secure inmate environments.

Examples include: air conditioning, heating, air circulation or air exchanging, plumbing, electrical/lighting, etc.

B.3. Security
Security projects directly affect the safety and security of inmates, staff, and the general public.

Examples include: doors, locks, addition of cameras, perimeter fencing/lighting, intercoms, locking control systems and equipment, etc.

B.4. Facility Operation
Projects that directly improve or benefit the operation of a facility.

Examples include: upgrade or replacement of food service equipment, laundry equipment, sally port gate operators, water/waste water equipment, and central plant equipment, Universal Power Supply (UPS) equipment, emergency generators, automatic transfer switches, and electrical switchgear.

B.5. Code Compliance
Code compliance projects are projects that are mandated by fire marshals, health inspectors, federal regulations, national electrical codes, local and international building codes, or other regulatory bodies.

Examples include: installation of fire detection and suppression equipment, American Disability Act (ADA) improvements, Prison Rape Elimination Act (PREA) improvements, renovation of mechanical equipment to meet air circulation requirements, gas, plumbing, and electrical projects necessary to comply with building codes, etc.

B.6. General Improvements
General capital improvements projects include: parking lot or roadway paving, lighting, addition of a new building(s), site drainage improvements, addition of a waste water lagoon, refurbishment of a water tower, and roofing projects.

B.7. Other Projects
Other capital improvement projects that do not fit any of the descriptions or examples of the project's categories listed above. Make every effort to include your CIP in one of the specific categories above so evaluators can make informed decisions regarding your proposal.
SECTION C. CAPITAL IMPROVEMENT PROJECT DETAILS

C. Capital Improvement Project Details

1. DESCRIPTION OF EXISTING ISSUE/NEED:
   Attach: assessments, reports, notices of violations or non-compliance, legal mandate, internal memos/directives, photos, etc.

C.1. Description of Existing Issues/Needs

Gather as much information as possible to explain what’s wrong, broken, inoperable, in need of upgrade, or in need of replacement, in order to justify the project. The CIP evaluators need to understand how important the project is to the facility, to the people that work there, and to you. This is the part of the form where they will start to feel what you feel every day.

Use terminology to indicate the scale of your request. Words like “renovation,” “upgrade,” or “replacement” should be used. Avoid words like “fix” or “repair” so evaluators do not confuse the CIP with normal corrective maintenance.

Any notices of regulatory or code non-compliance regarding the identified need or issue should be included. Any kind of independent assessments or studies are valuable resources that add credence to the request. Internal memos, directives, legal mandates, etc., should be attached along with the documents listed previously.

Include any CMMS data or maintenance records. The maintenance data should show excessive spending or added work performed on the problem. This kind of information shows that approving your CIP request will help save money in the long-term, and will make it easier for evaluators to justify and approve the request.

If supporting data or independent documentation isn’t available, the description of the problem must be complete and thorough. Include clear pictures that show the problem, with captions, to help tell your story.
C. Capital Improvement Project Details

2. DESCRIPTION OF PROPOSED CAPITAL IMPROVEMENT PROJECT:
   Scope of work: Description of equipment, materials, labor, contractors, etc. proposed to complete the project

C.2. Description of Proposed Capital Improvement Project

In Section C.1, you made the evaluator understand there is a problem. This section will show you have thought about and come up with a possible solution.

Try to describe the potential solution in a simple and concise way. Consider that the evaluators may not be technical personnel and may not be familiar with how things work in your facility. The solution description should detail how it will solve the problem and how it will affect facility operation.

As in C.1, use terminology that indicates this is more than a simple day-to-day repair. Words like “renovation,” “upgrade,” or “replacement” indicate your proposal requires capital investment outside the normal maintenance budget.

The more detail you can provide, the more you demonstrate to the evaluators how involved you are in finding a solution, and how important this project really is. Make specific note of how the solution impacts other people or building systems.

*For example: Replacing an air handler may require all new duct work. That would affect multiple building systems (wherever ductwork is attached) and anyone the ducts deliver air to, both during and after the project.*

Make sure to provide any detail possible about the scope of the project. Take time to research and find the information to support your solution, in order to make the evaluator’s job easier.
C.3. Evaluation of Current Situation

Each part of Section C.3 describes how things currently are and your answers will serve to show how dire your need is.

3. EVALUATION OF CURRENT SITUATION

3a. What alternative solutions were considered and/or attempted?

C.3a. What alternate solutions were considered and/or attempted?

Problems have more than one solution. List alternate solutions considered/attempted and describe the pros and cons of each. CIP evaluators should be able to easily determine that options were considered and the solution proposed is the best solution possible to resolve the described issue.

3b. Describe the impact if the project is deferred, including mitigation strategy (if necessary):

C.3b. Describe the impact if the project is deferred, including mitigation strategy (if necessary):

Deferring any needed capital project always has a “pay now or pay later” consequence. Issues that are not properly resolved in a timely manner become bigger more expensive problems in the future. If the project is deferred, explain what actions will be taken to continue operations until the project is approved and completed.

Examples:

- Deferring a needed roof replacement project could result in more extensive flood damage or mold.
- A deteriorating plumbing system may need replacement. If this project is deferred, the pipes may eventually burst resulting in a significant health/safety hazard. In addition, there would be unplanned cleaning costs before the project can be done.
- An energy savings lighting project would be a pay now or pay later kind of project. Deferring this would result in the facility not benefiting from the decreased energy costs for an extended period of time.
C.4. Evaluation of Solution and Impact to Facility Operations and Security

Each part of Section C.4 helps demonstrate the benefits of the solution you recommended. The benefits must be measurable in some way, such as cost, efficiency, work hours, etc. The more benefits you can describe and demonstrate, the more likely the CIP will be approved.

4. PROPOSED SOLUTION AND IMPACT TO FACILITY OPERATIONS AND SECURITY

4a. What improvements will take place when the project is completed?

C.4a. What improvements will take place when the project is completed?

Most of the hard work here was done earlier in Section C.1. If you effectively described the problem and the pain it causes, you’ll be able to “connect the dots” to the improvements outlined in this section.

Describe the improvements in language that reflects the problems you described earlier. Tell a story if that’s the best way you can describe the improvements. If available, include any quantities or data to demonstrate the proposed improvements.

For example: Say you cited a roof leak as the problem at the root of your CIP. The obvious improvement that takes place when the project is completed is that the roof no longer leaks. However, other improvements that also take place when the roof is replaced include improved condition of confinement, improved indoor air quality, improved safety, etc.
C.4b. What facility benefits will be derived and/or what deficiencies will be corrected?

Anticipated benefits should be described in terms of improving operational efficiencies, reducing cost, providing a safer more secure environment, health, and/or improved morale. Some projects may result in few direct improvements, but provide a multitude of tangible and intangible benefits.

When applicable, discuss sustainability and its effects on costs. The use of LEED (Leadership in Energy and Environmental Design) construction design principles, renewable energy sources (photovoltaic systems, heat pumps, wind energy, etc.), recycling, self-sufficient initiatives (agriculture, hydroponics, etc.) and other green and eco-friendly activities can all result in significant cost savings.

For example, a project which involved building new dormitory space results in an improvement of additional inmate capacity. However, the benefits, as a result of this improvement, may include building and regulatory compliance, elimination of overcrowding leading to reduced stress to inmates and staff, improved design resulting in increased safety and security, increased privacy for inmate services, improved operational efficiency, etc.

Another example is replacing variable frequency drives (VFDs) on existing motors. Through their basic function, VFDs reduce energy costs significantly when used properly and on all electric motors in the facility. Benefits that can be measured and described here are the amount of energy used, reduction of utility costs, the reliability of the equipment, and the amount of maintenance needed. Benefits like these will demonstrate the need for the requested CIP.

For example, replacing old, inefficient, and unreliable boilers with new high-efficiency package boilers staged to meet immediate demand has specific and measurable savings related to energy use, fuel consumption, and amount of maintenance. These savings can be presented as positive benefits to facility operation.

Deficiencies are typically defined as equipment and/or systems that, due to their poor condition, have a negative impact on the operation of the facility.
INSTRUCTIONS FOR COMPLETION OF CAPITAL IMPROVEMENT JUSTIFICATION FORM

4c. What is the impact on future operating requirements (e.g. staffing, budget)?


C.4c. What is the impact on future operating requirements (staffing, budget, etc.)?

Show initial and ongoing funding requirements by cost element, including position count, means of financing, fiscal year, etc. Include any cost saving benefits discussed in C.4b which may offset any funding requirements generated by this project.

Defining future impact on operations may require additional input from facility staff (e.g. Chief of Security, Business Manager), depending on the complexity of the project.

Examples: Estimating direct cost savings from reduction of water usage, reduced maintenance time, reduction in energy/utility costs, reduction in the number of service calls, or increased operating capacity.

4d. What other issues does this project resolve?


C.4d. What other issues does this project resolve?

In most cases, a CIP will affect more than one issue in a positive manner.

For example, replacing a boiler reduces energy usage, lowers facility cost, reduces maintenance staff time/repair cost, and positively affects condition of confinement by providing adequate hot water for inmate showers.

Make sure to consider any equipment or system connected to the improvements described in the CIP. Any ancillary improvements incidental to the CIP add value to the request and improve the chances of approval by the evaluators.
4e. Is there a preventive maintenance aspect to this project? How will preventive maintenance be managed, funded, etc.?

C.4e. Is there a preventive maintenance aspect to this project? How will preventive maintenance be managed, funded, etc.?

Most capital improvement projects have preventive maintenance requirements. Even roadways and roofs have specific maintenance needs.

Depending on the project, there may be monthly, quarterly, semi-annual, and/or annual maintenance requirements. Labor hours, material/supply/parts costs, sub-contractor requirements and other needs will impact the overall maintenance budget. Consider, research, and describe in as much detail as possible the process for managing the preventive maintenance requirements of the CIP.

5. Has preventive maintenance been regularly performed on existing equipment being replaced? Attach supporting documentation.

C.5. Has preventive maintenance been regularly performed on existing equipment being replaced? Attach supporting documentation.

Answer this question with a “Yes” or “No”. Attach supporting documentation as evidence that preventive maintenance was regularly performed. Copies of closed work orders or CMMS reports are acceptable documentation.
The following form is required in the submission of your Capital Improvement Project.

Please fill in the information directly below each item.

### A. General Information

<table>
<thead>
<tr>
<th>1a. FACILITY:</th>
<th>1b. ADDRESS:</th>
</tr>
</thead>
</table>

2. PROJECT NAME:

3. PROJECT LOCATION IN FACILITY:

<table>
<thead>
<tr>
<th>4a. CONTACT NAME</th>
<th>4b. POSITION/TITLE</th>
<th>4c. NUMBER/EXT.</th>
<th>4d. EMAIL</th>
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</thead>
</table>

5. EST. COST OF PROJECT IN CURRENT YEAR DOLLARS:

6. Immediate Supervisor Signature:

### B. Project Category/Categories

- [ ] 1. LIFE SAFETY
- [ ] 2. CONDITION OF CONFINEMENT
- [ ] 3. SECURITY
- [ ] 4. FACILITY OPERATIONS
- [ ] 5. CODE COMPLIANCE
- [ ] 6. GENERAL IMPROVEMENT
- [ ] 7. OTHER (i.e. Quality of life, sustainability improvement, aesthetics, etc.).

### C. Capital Improvement Project Details

1. DESCRIPTION OF EXISTING ISSUE/NEED:
   Attach: assessments, reports, notices of violations or non-compliance, legal mandate, internal memos/directives, photos, etc.
### C. Capital Improvement Project Details

#### 2. DESCRIPTION OF PROPOSED CAPITAL IMPROVEMENT PROJECT:
Scope of work: Description of equipment, materials, labor, contractors, etc. proposed to complete the project.

#### 3. EVALUATION OF CURRENT SITUATION:
- **3a.** What alternative solutions were considered and/or attempted?

- **3b.** Describe the impact if the project is deferred, including mitigation strategy (if necessary):

#### 4. EVALUATION OF SOLUTION AND IMPACT TO FACILITY OPERATIONS AND SECURITY
- **4a.** What improvements will take place when the project is completed?

- **4b.** What facility benefits will be derived and/or what deficiencies will be corrected?
C. Capital Improvement Project Details

4c. What is the impact on future facility/program operating requirements (e.g. staffing, budget)?

4d. What other issues does this project resolve?

4e. Is there a preventive maintenance aspect to this project? How will preventive maintenance be managed, funded, etc.?

5. Has preventive maintenance been regularly performed on existing equipment being replaced? Attach supporting documentation.

Warden/Program Administrator or designated representative:

☐ I have reviewed the above information and agree with the information provided.

_________________________  _______________________
Signature                                Date

PSD 1610 (Orig. 05/2018)