



File No: 240-50

April 23, 2001

To: All Secretary-Treasurers

Re: 2002/03 Five-Year Capital Plan

I am pleased to advise you that the following background documents necessary for the preparation of the 2002/03 Five-Year Capital Plan are now available:

- 2002/03 Five-Year Capital Plan Instructions.
- 2002/03 Five-Year Capital Plan Instructions Appendices, including:
 - Appendix A – Capital Project Request Form (CP-1)
 - Appendix B – Five-Year Capital Plan Summary (CP-2)
 - Appendix C – School District Summary of Capacity & Projected Enrolments Form (CP-3)
 - Appendix D – School Capacity & Enrolment Worksheet (CP-4)
 - Appendix E – School Board Resolution Sample
 - Appendix F – School Bus Tender Specifications
- 2002/03 Five-Year Capital Plan Allowances, Rates & Costing Factors Supplement.

This material is available online in Adobe Portable Document Format (PDF) on the Ministry of Education Capital Planning Resources webpage, located at:

<http://www.bced.gov.bc.ca/capitalplanning/resources.htm>

The Ministry's web-based capital planning system, which was implemented last year, is still key to the submission of all necessary 2002/03 Five-Year Capital Plan CP forms. This process will actually be simplified this cycle, in that all information related to those projects submitted in 2001/02 remains available electronically. Information for those projects can be carried forward to 2002/03. Please note that the instructions on the web-based capital planning system webpage have been extensively revised, providing greater clarity regarding the completion of the various CP forms.

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Ministry of Education

Capital Planning Branch

Mailing Address:
PO BOX 9149 STN PROV GOVT
Victoria BC V8W 9H1
Telephone: (250) 356-7814
Facsimile: (250) 356-8003

Location:
3rd Floor
620 Superior St
Victoria BC

It is expected that Treasury Board will require that all social capital ministries submit their Long-Term Capital Plans by late September. To meet this deadline, school boards are requested to provide their 2002/03 Five-Year Capital Plan submissions (including both the completion of online CP forms and submission of all supporting hardcopy documentation) to the Capital Planning Branch by **June 29, 2001**.

Along with ongoing Ministry capital initiatives, a new Government program — the Green Buildings BC - Retrofit Program — has been introduced for the 2002/03 capital planning cycle that may affect the preparation of your 2002/03 Five-Year Capital Plan. The following section describes new and changes to existing programs.

Green Buildings BC - Retrofit Program

In 1999, Cabinet approved the establishment of the Retrofit Program. Its purpose is to help BC's provincially-funded educational and health care institutions procure building retrofits that pay for themselves through reduced operating costs (i.e., reduced energy or water consumption, and reduced greenhouse gas and waste generation).

The Program offers a variety of products at no charge including:

- instructional materials describing the steps in the procurement process;
- model procurement documents (e.g., RFPs, contracts);
- qualified bidders' lists of firms providing retrofit services;
- directories of opportunities for funding assistance;
- case studies of some BC retrofits undertaken to date;
- access to lower cost financing through the Royal Bank of Canada.

More information on the Retrofit Program is available by calling 250-952-8800; or online at: www.greenbuildingsbc.com

School Site Acquisition Legislation

School districts will also have until **June 29, 2001** to submit their 2002/03 school site acquisition plan, as part of their 2002/03 Five-Year Capital Plan submission. In particular, school site acquisition legislation requires an annual submission of an eligible school site proposal for approval by the Minister of Education. The formal steps leading to the submission of the proposal are provided in the **Implementation Guidelines: School Site Acquisition Charges**, which is available on the Ministry of Education Capital Planning Resources webpage, as noted above. I will be sending a follow-up letter shortly providing further guidance regarding the site acquisition plan submission required as part of the 2002/03 Five-Year Capital Plan submission.

Revised Facility Audit Process

School districts are reminded that facility audits for **all** school district buildings are to be completed by June 30, 2001. Again, only those replacement/rebuild, renovation/alteration, or mechanical system upgrade projects involving schools with the lowest ranked building condition will be considered for funding support in the 2002/03 capital year. An important step in the approval of replacement/renovation-type projects will be the completion of a feasibility study to determine whether a school should be replaced or renovated.

Feasibility Studies

Government is introducing a change in the approval process for major renovation and replacement capital projects, commencing with projects approved in the 2001/02 Capital Plan. Prior to commencing design of an approved renovation/replacement project, the Ministry will work with a school district in determining the appropriate scope and budget through the completion of a feasibility study.

The intent of the feasibility study is to assess cost-effective renovation versus replacement options - as based on a detailed assessment of the building condition - in a value management framework. Each option will be evaluated based on capital and life-cycle cost assessments; comparative functional and educational program requirements; energy and operating efficiency; and life expectancy targets.

It is anticipated that once the feasibility stage of the project is complete, and the Ministry of Education and the school district have agreed on the scope and budget for the recommended renovation or replacement project, the Ministry will seek Treasury Board approval to commence design. Upon approval, the Ministry of Finance and Corporate Relations will work with the school district and its consultants to complete the project.

Annual Capital Allowance (ACA)

On March 30, 2001, the Ministry announced \$50 million for the 2001/02 Annual Capital Allowance for school districts. Please be reminded that ministerial approval is required for the expenditure of annual capital allowance funding. As per the Ministry's Annual Capital Allowance policy, school districts must first submit a list of any anticipated annual capital projects - including a detailed description and estimated expense - for review and approval by their Planning Officer.

For your information, the Ministry is currently working with the Ministry of Finance and Corporate Relations, and Office of the Comptroller General to define the types of capital projects that can be funded and debt serviced within Government's Consolidated Capital Plan. Government is considering expensing costs required to maintain the fabric of buildings during their expected life.

This accounting change may affect a number of capital maintenance projects, including the Annual Capital Allowance. Any changes in definition for these type of projects is not expected to affect approved 2001/02 capital projects, but may affect projects approved for 2002/03. School districts will be provided with more information on this matter, as it becomes available.

As always, I would like thank you in advance for school districts' efforts in developing next year's five-year capital plans. Again, if you have any questions regarding any aspect of this work, please contact your Planning Officer for assistance.

Yours sincerely,

ORIGINAL SIGNED BY

Keith Miller
Director

pc: All Superintendents of Schools
All School Districts

Ministry of Education Deputy Minister's Advisory Committee

Al Sakalauskas, Assistant Deputy Minister,
Capital Division
Ministry of Finance and Corporate Relations

