

Ministry of Education Capital Management



A4LE, October 18-19, 2018

Joel Palmer, Executive Director



BRITISH
COLUMBIA

Ministry of
Education

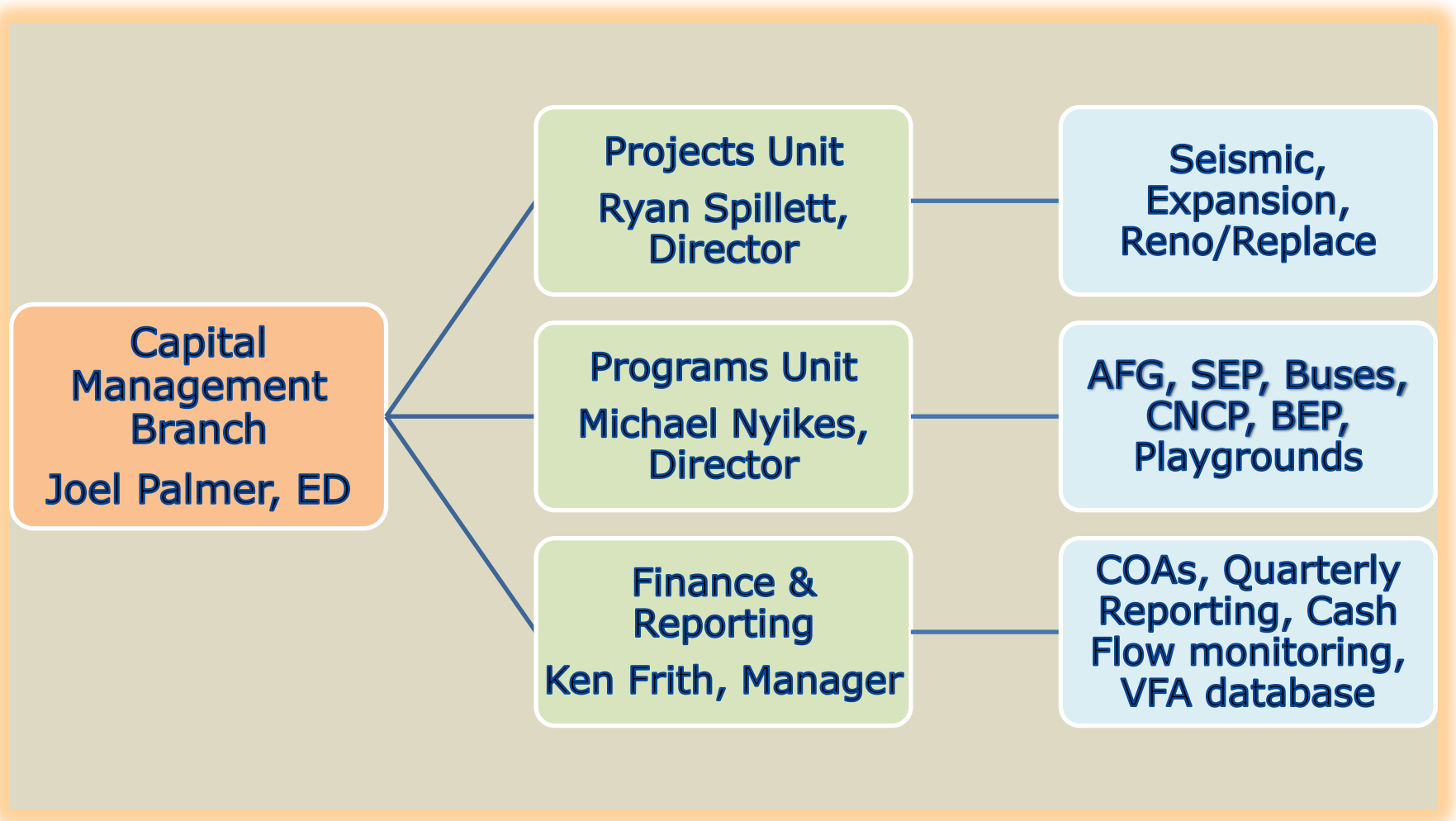


What We Will Cover

1. Capital Management Branch – Who we are
2. Capital Advisory Committee
3. Government Initiatives & Priorities for MOE
4. Ministry Capital Priorities Areas for Funding
5. Ministry Capital Branch Initiatives
6. School District Capital Planning Cycle
7. Capital Project Approval Process
8. Overall Ministry Capital Budget



Capital Management Branch





School District Assignments

Regional Directors

Planning Officers

Langley,
Surrey, New
West, Maple
Ridge, Mission

Mora
Cunningham

Nancy Dubé

Delta,
Richmond,
Vancouver,
North Shore

Lesley
Ballman

Hailley
Honcharik &
Alexander
Angus

Island, NW,
Coquitlam,
Kootenays

Rachelle Ray

Rosa Cutler
& Marek
Benedik

NE, Interior,
Okanagan,
Burnaby
Fraser Valley

Rob Drew

Travis
Tormala

Capital
Programs (All
SDs)

John
Woycheshin

Damien
Crowell

Regional Directors

Planning Officers

Branch Contacts Webpage

<https://www2.gov.bc.ca/assets/gov/education/administration/resource-management/capital-planning/capital-contact-list.pdf>



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Capital Advisory Committee



Ministry of Education



BCSSA



BCASBO



EFMABC



Government Initiatives

1. Childcare Space

- NLC Space
- MCFD Capital Program

2. Community Benefits

- Local economies
- Labour (BCIB Inc.)
- Large Projects

3. Energy Efficient New and Replacement Schools

- Net Zero Ready – NPV calculation with step code
- LEED gold still applies to new builds

4. Funding Model Review

- Government considering recommendations of the Panel Report
- Capital not in scope but...





Government Priorities for MOE



1. Accelerate Seismic Program

- 23 Approvals since Sept. 2017
- 9 in 16/17; 7 in 15/16

2. Annual \$5M Playground Program

- New annual program launched May 2018

3. Build and upgrade schools in all regions of the province

- Maintenance programs
- Some renovations and replacements

4. Reduce Portables

- Expansion projects to accommodate enrolment growth
- Pressures from MOA with BCTF



Capital Priorities

1. Safety:

- Seismic Mitigation
- Schools Protection Program (SPP)
- Priority Replacements

2. Maintaining What We Have:

- School Enhancement Program (SEP)
- Carbon Neutral Capital Program (CNCP)
- Building Envelop Program (BEP)
- Annual Facilities Grant (AFG)

3. Expansion in areas of growth:

- Priority Capacity Additions
- Site Acquisitions
- New Schools





MOE Capital Branch Initiatives



1. Unit Rate/Location Factor update

- Work mostly complete, with implementation in the next few weeks

2. Area Standards Review

- Will be discussed further with Capital Advisory Committee

3. RDECP/Webcaps Replacement

- Old and Obsolete
- 1-2 year project

4. SRG3 and Liquefaction Review

- Reassessments complete
- Review by EGBC and Ministry
- Results to be incorporated in the Seismic Mitigation Program



Unit Rates Update

- Project budgets are based on standard unit rates that are developed by professional cost consultants.
- The unit rates are based on a prototypical school and outline specification.
- The unit rates provide a cost per square meter for school building construction and all inclusive rates for site works.
- Budgets for all space projects are determined by:
 - The application of standard formulas for design, equipment and contingencies
 - The addition of site specific costs
 - The application of a location factor



Unit Rates Update

- The last update to the Base Unit Rates was in 2010.
- Since then, adjustments have been made through the Location Factors.
- The Base Unit Rates are derived from the cost models, based directly on the prototypical school outline specifications.
- The Base Unit Rates assume design will meet current code, but not exceed it.





Unit Rates Update

- A few things to expect with the update:
 - Base rate escalated
 - Changes to Allowances (e.g. equipment for replacements)
 - Revised PM fees calculation
 - Other fees (e.g. insurance, tax formula)
 - Supplementary items (more below the line)
 - Schedule B template





Location Factors

- Location factors incorporate location-specific cost variations as well as the ongoing impact of escalation and market volatility.
- The location factor is comprised of three elements:
 - Local market conditions;
 - Seismic factors;
 - Climatic factors.
- Update every 6 months





Area Standards Review



- Points for discussion
 - Site & Grounds
 - Flexibility vs Rigour
 - Elementary / Middle / Secondary factors
 - Impacts of smaller footprints, taller buildings
 - Many more...





Replace RDECP/Webcaps

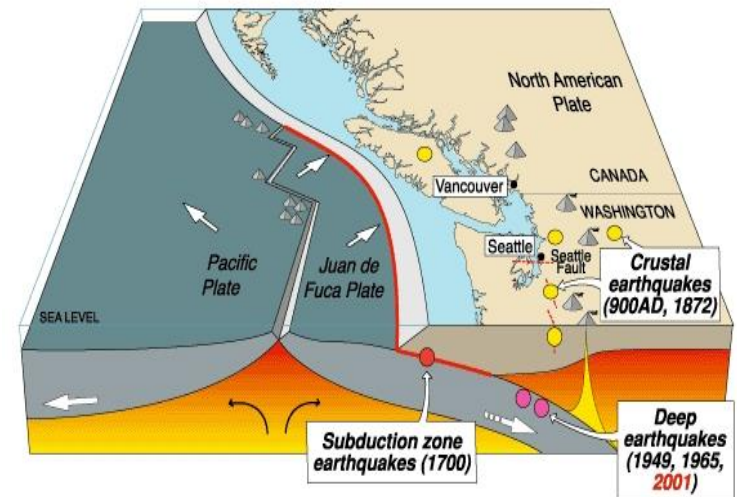
- The Ministry's IMIT capital planning system is now obsolete and unsupported.
- Project underway to replace the system.
- Will be seeking input from the Capital Advisory Committee and SD staff at key points during the project.
- Tremendous opportunity to improve processes



SRG3 Reassessments

- Building Code updated for Cascadia event
- Seismic Retrofit Guidelines updated
- Reassessments done on Vancouver Island, Haida Gwaii and Richmond in 2018
- Results to be finalized later in the fall
- Updates to the SMP in early 2019

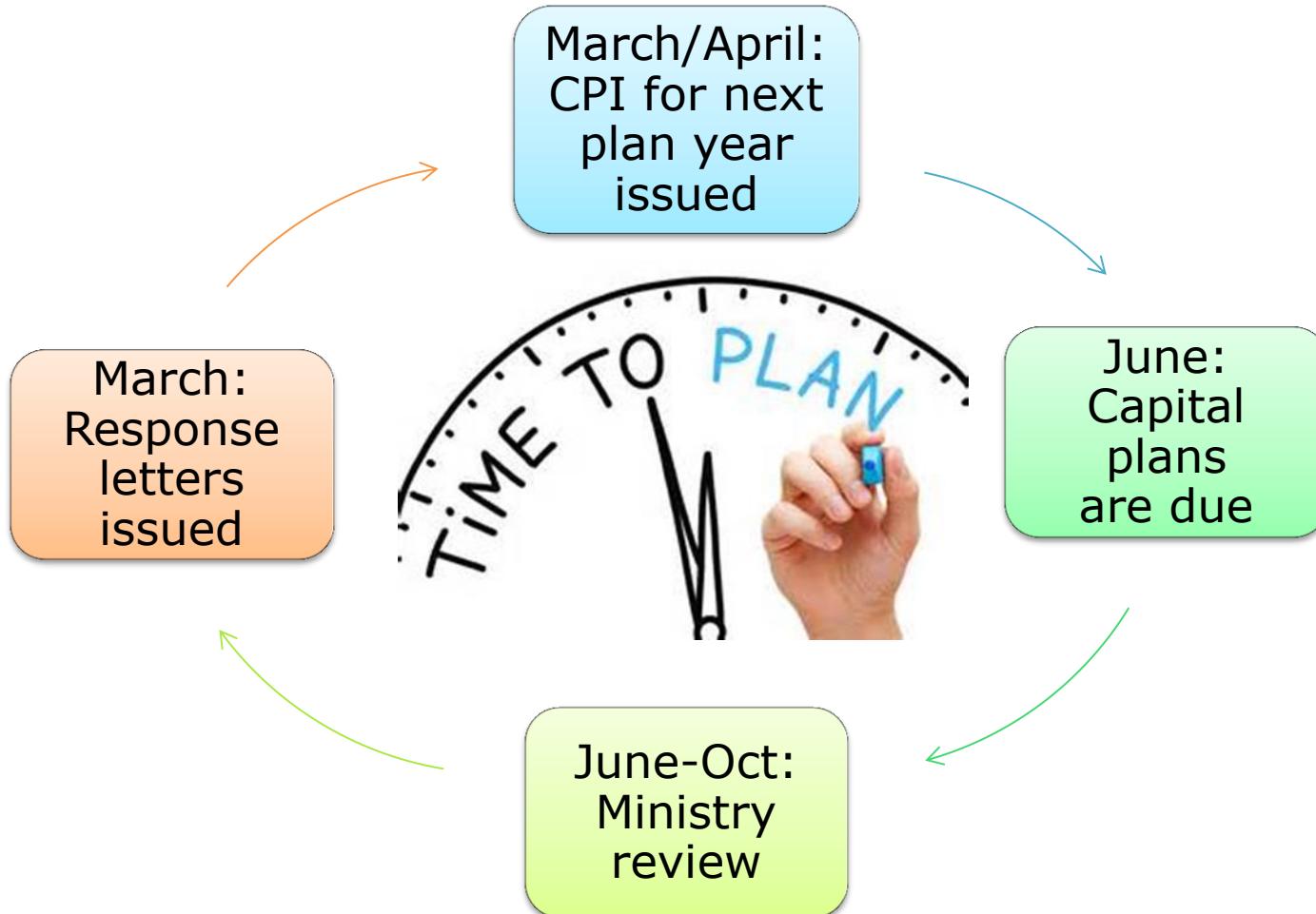
Cascadia earthquake sources



Source	Affected area	Max. Size	Recurrence
● Subduction Zone	W.WA, OR, CA	M 9	500-600 yr
● Deep Juan de Fuca plate	W.WA, OR,	M 7+	30-50 yr
● Crustal faults	WA, OR, CA	M 7+	Hundreds of yr?



Capital Planning Cycle





Where did my capital plan go?

- April to June:
 - Capital Plan Instructions to SDs in March-April
 - SD Capital Plans submitted by June 30
- July to October:
 - Ministry staff evaluate all 60 capital plans
 - Projects in annual programs are shortlisted
 - Major projects are prioritized in various categories (Seismic, Expansion, etc.)
- October to December:
 - Ministry builds and submits Capital Plan to Treasury Board within assigned capital spending targets
- February-March:
 - Provincial Budget is tabled
 - Ministry issues the Capital Plan Response Letters for approved annual program projects and supported major projects that are ready for PDRs

Rinse and Repeat



Need a SD LRFP

- Districts must have a Long-Range Facilities Plan, this should inform your Five-Year Capital Plan.
- The LRFP is a school district document, not a ministry document.
- Guidelines for your LRFP are available online in our current resources webpage.
- More discussion this afternoon



Capital Planning

- Capital Plan Instructions contain important information
- Priorities should align with school district's LRFP
- Ensure priorities align with projects in progress or already supported for Project Definition Report (PDR)
- Planning Officers & Regional Directors can help
- Project Request Fact Sheets for major projects are **REQUIRED**

We have resources available online

<https://www2.gov.bc.ca/gov/content/education-training/administration/resource-management/capital-planning/current-resources>



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Submitting a capital plan

- Review draft plan with your Planning Officer.
- Submit a copy of the resolution as a part of your annual Five-Year Capital Plan submission to the Ministry.
- Follow the instructions in the intake sheet.





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Major Capital Programs

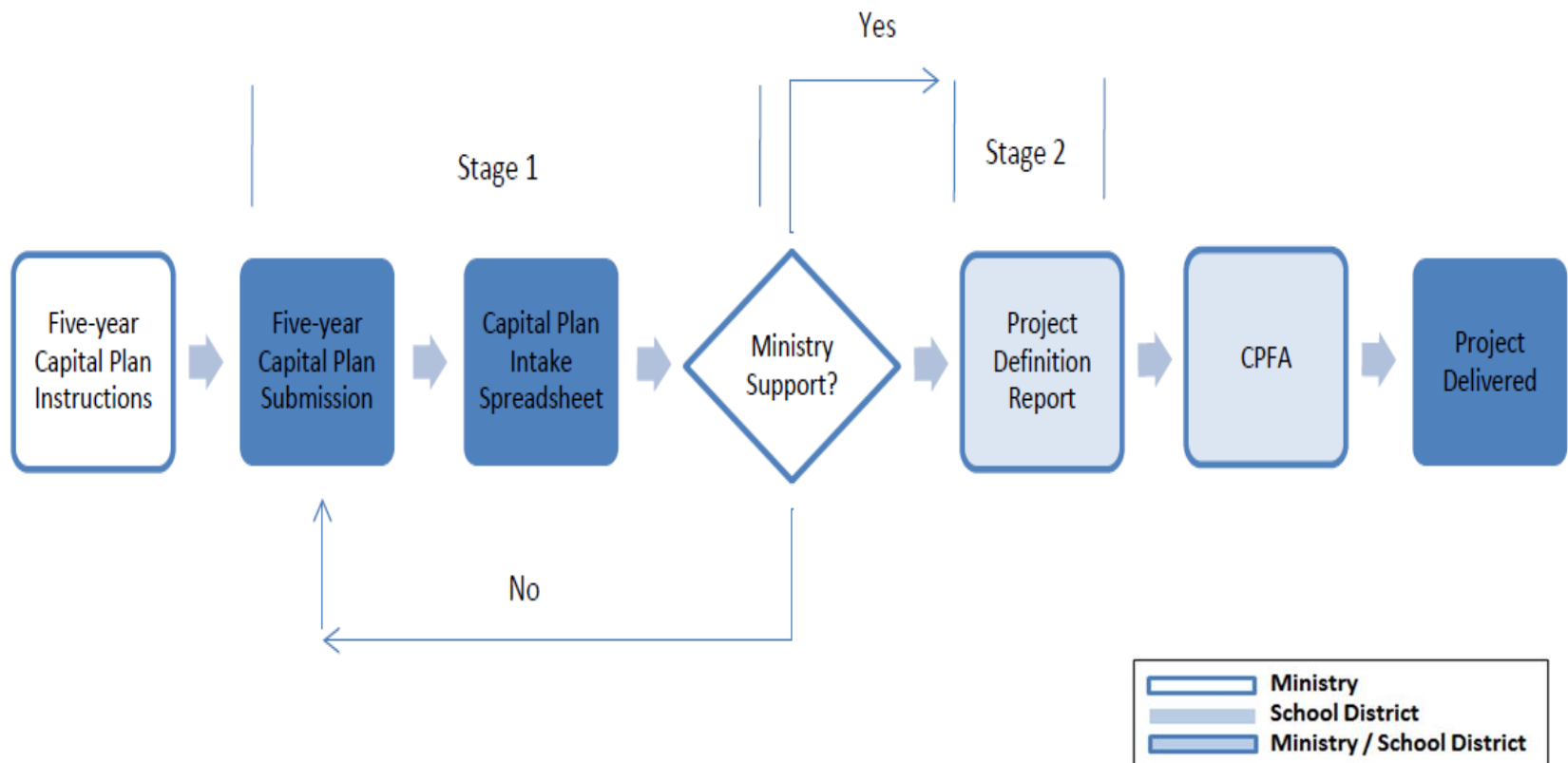


- Seismic Mitigation
- Expansion
- Renovation / Replacement



Major capital approval process

- Two-step approval process.





Annual Capital Programs

- Annual Facilities Grant - \$115m
- Bus Acquisition Program - \$13m
- Carbon Neutral Capital Program - \$5m
- School Enhancement Program - ~\$65m
- Playground Equipment Program - \$5m
- Building Envelope Program - ~\$8m

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Annual Programs

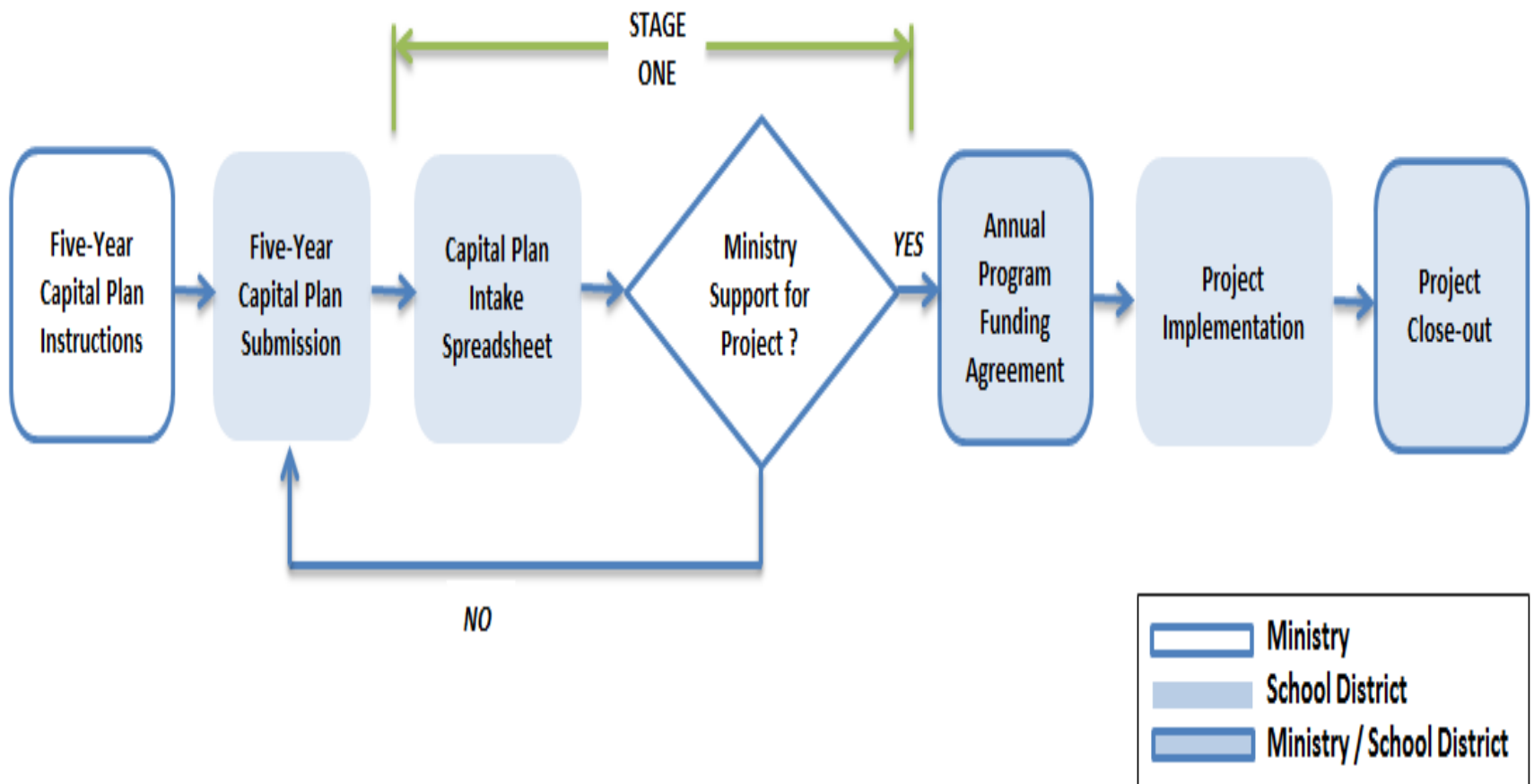
- For projects in **annual** programs:
 - A PRFS is not required.
 - Guide included with intake sheet.
 - Projects submitted are just for the year ahead, not based on a 5-year plan like major projects.
 - Consider escalation when inputting costs.
 - The number of projects that can be submitted for some programs is limited.





Annual programs approval process

- Projects funded under annual programs follow a 1-step approval process





Unravelling the mystery

- Why didn't our project get supported?
-
- Education competes with other ministries for government capital funding (Hospitals, Post- Secondary, Transportation, Justice, etc.)
 - Capital budget is limited – requires tough decisions based on government goals and priorities
 - Priorities for the Ministry of Education are primarily Seismic and Expansion



Thank you

Questions?



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