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MEMORANDUM

To: Elected Officials, Bureau Chiefs and Department Heads

From: Annette C.M. Guzman, *Budget Director*

Subject: FY2023 Capital Equipment and Capital Improvement Requests

Date: March 11, 2022

CC: Ammar Rizki, *Chief Financial Officer*
John Yonan, *Bureau Chief, Bureau of Asset Management*
Tom Lynch, *Chief Information Officer*
Tanya Anthony, *Chief Administrative Officer*
Earl Manning, *Director of Capital Planning and Policy*
Jessica Caffrey, *Director of Real Estate Management*
Hema Sundaram, *Chief Technology Officer*
Radoslav Stoilov, *Fleet Manager*

The Department of Budget & Management Services (DBMS) in collaboration with the Bureau of Asset Management, Bureau of Administration, and Bureau of Technology, provides this memo and accompanying Capital Request Guidelines to inform departments of the Capital Equipment (CEP) and Capital Improvement (CIP) request processes for FY2023.

Departments will continue to enter their FY2023 CEP and CIP requests in Hyperion and the Business Case online form (BC Form). Both Hyperion and the BC Form will open to departments on Wednesday, March 16, 2022, ahead of the official Capital Request Information Session scheduled for Friday, April 1, 2022. **All CEP and CIP requests must be submitted by departments no later than Friday, April 29, 2022.** See attached Capital Request Guidelines for guidance on how to develop your FY2023 capital request, as well as additional information regarding this year's capital budget timeline.



CAPITAL REQUEST GUIDELINES FY2023

Department of Budget & Management Services

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These guidelines are provided to assist Cook County offices in developing their FY2023 capital requests. Offices should consult the following County departments to assist in planning their capital projects:

- Capital Improvement Projects Department of Capital Planning and Policy (DCPP)
- Furniture Requests Department of Real Estate Management (DREM)
- IT Infrastructure Requests Bureau of Technology (BOT)
- Vehicle Requests Bureau of Administration (BOA)

REMINDER
Hyperion and the Business Case online form will open for capital project requests on Tuesday, March 16, 2022. All FY2023 capital project requests are **due by Friday, April 29, 2022.**

Capital Project Request Overview

The County reassesses its capital programming needs regarding capital improvement projects and capital equipment purchases as part of the annual budget process. Once funding levels/funding types have been determined in accordance with the County’s long-term financial planning, the Department of Budget & Management Services (DBMS), in collaboration with the County’s Capital Committees, allocates such funding to capital projects to address critical needs.

Once all capital requests have been submitted, the Vehicle Steering Committee, the Capital Committee (consisting of BOT, DBMS, and the Office of the Chief Financial Officer (OCFO)), and the Department of Real Estate/Department of Facilities Management will review each request with the goal of providing continued support for the County’s strategic priorities, including:

- centralized vehicle management
- reuse of equipment in good condition
- one-to-one computing, and
- standardizing County computer hardware and software

In addition, the Committees will strive to achieve operational savings and process efficiencies to support the core functions of County offices while also leveraging Cook County contracts to achieve strategic savings for the County.

The following capital requests will be reviewed by:

Type of Request	Review Committee
CIP Requests	DCPP
Vehicle Requests	Vehicle Steering Committee
Telecom, IT, and other Equipment Requests	Capital Committee
Furniture Requests	DREM and DFM

Capital Project Submission Requirements

I. General Submission Instructions

- Please ensure all finance liaisons working on your capital request have access to Hyperion and the Business Case online form (BC Form). The Hyperion access request form is available on the STEP portal at https://step.cookcountyil.gov/wp-content/uploads/Hyperion_System_Access_Request_Form-1.xlsx.
- The BC Form is located at <https://ccnetapps.cookcountyil.gov/BusinessCases/> and all users must begin the submission of each new CIP and CEP requests using the BC Form. CEP requests should be entered into Hyperion only after the business case justification has been submitted in
- Offices should use these guidelines and the workflow instructions provided in the BC Form and Hyperion Task List as guidance when submitting your capital request.
- All fields in the BC Form and Hyperion (for CEP requests) must be filled in, to the extent feasible, and all required forms must be uploaded for your capital project to be considered for FY2023 funding. DCPD will assist in answering user questions on the BC Form, but any incomplete CEP or CIP request submitted through the BC Form will be automatically denied.
- When completing the BC Form and Hyperion, ***note that you do not have to enter all information in one session.*** You can save the form at any time and submit it on or before April 29th.
- Offices are encouraged to complete their annual capital requests with enough time to allow for reviewing entries before submitting them to DBMS.
- Additional documents and information about the capital request process can be found on the STEP Portal (<http://step.cookcountyil.gov/coming-soon/policies-procedures/>) under the Capital Equipment Projects and Capital Improvement Projects sections, including (without limitation):
 - FY2023 Capital Memo and Capital Request Guidelines
 - Capital Expenditures Guidelines
 - Allowable IT Capital Expenditures
 - IT Asset Inventory Submission Instructions
 - Software and Technology Asset Inventory Template
 - 2023 IT Devices Pricing List
 - IT Equipment Request Form (for equipment requests valued at less than \$5,000)
 - Non-IT, Non-Vehicle Inventory Template
 - Useful Life Guide
 - 2023 Vehicle Pricing List
 - 2023 Furniture Cost Estimator
 - CEP FAQs

- CIP FAQs
- SAC FAQs

II. Supplemental Capital Documentation

In addition to completing your capital requests in Hyperion and/or the BC Form (as detailed below), DBMS requires that **ALL** offices (whether you are making a new CEP request or not) complete the following inventories to help the County plan for funding requirements more effectively for fiscal years 2023 - 2028:

- Software and Technology Hardware Asset Inventory (submitted through [BOT's SharePoint site](#))
- Non-IT, Non-Vehicle Inventory (submitted through Hyperion)

Templates for each inventory are available in Hyperion.

Software and Technology Asset Inventory

For purposes of completing the Software and Technology Hardware Asset Inventory:

- **Software Assets** consist of all types of software, including custom, commercial off-the-shelf, and remotely hosted software, as well as software license agreements and consumption information related to the number of software instances installed or in use.
- **Technology Hardware Assets** consist of all types of computer hardware or systems, to include servers, switches, desktop personal computers, laptops, and other similar computer technology, peripherals, or equipment.

For additional guidance, please see the IT Asset Inventory Submission Instructions available on the STEP portal.

Non-IT, Non-Vehicle Inventory

For purposes of completing the Non-IT, Non-Vehicle Inventory, download the form from either Hyperion or the STEP Portal. Once completed, upload the inventory to Hyperion using the following naming convention:

“[Department #] [Deliverable Type]”

For example: a Non-IT, Non-Vehicle Inventory for DBMS would be “1014 Non-IT, Non-Vehicle Inventory”. Acceptable format for the submission is Excel. Scanned documents will not be taken into consideration.

As a reminder:

Required Inventories	Where to upload
Updated Software and Hardware Asset Inventory	BOT SharePoint
Updated non-IT, non-vehicle inventory	Hyperion

III. Capital Budget Calendar

Please see below for the FY2023 capital budget calendar. DBMS may update the schedule, as needed, and will communicate any such changes to all offices.

Date(s)	Event
February 14 – April 15, 2022	CIP Business Case high-level meetings with users.
March 14 – April 15, 2022	CIP application working sessions
March 16, 2022	<ul style="list-style-type: none"> • Business Case online application opens to users for CEP/CIP requests. • Hyperion opens to users for CEP requests.
April 1, 2022	Capital Request Information Session
April 6, 2022	CAPEX Hyperion Training
April 29, 2022	Deadline for all FY2022 CEP/CIP requests
May 2 – June 21, 2022	Capital requests under review
June 22, 2022	CEP funding decisions sent to offices
October 2022	President’s Executive Recommendation presented to Board of Commissioners
November 4, 2022	Amendments to Budget Recommendation due from Board of Commissioners
Late November 2022	FY2023 Appropriation Bill vote
November 30, 2022	End of FY2022

Capital Equipment Requests (CEP)

Capital Equipment (CEP) is defined as an asset, usually not attached to a building or grounds, with a project cost of \$5,000 or more, that has a useful life of at least five (5) years, is depreciable for at least 1 ½ years, and is purchased and owned by the County. Thus, the CEP requests pertain to:

- IT & Telecom
- Medical Equipment
- Furniture
- Fixed Plant
- Institutional Equipment

I. Ongoing CEP Projects

Offices with CEP projects from prior years that will be ongoing in FY2023 will be able to review actual year-to-date expenditures for such projects and add additional funding requests to those projects *in the Hyperion budgeting system*. When reviewing your ongoing projects in Hyperion, offices should have a clear and concise idea of their expenditures for the project for FY2023. **You will need to submit a cash flow budget through Hyperion for the months of April 2022 – November 2023.** On the cash flow projection template you will need to indicate if you are requesting:

- *Carryover funds:* i.e., you will not expend all of your unencumbered FY2022 funds and will carryover such funds into FY2023,
- *New funds:* i.e., you plan to expend all your unencumbered FY2022 funds and will require new funds in FY2023 to continue or complete your ongoing capital project, or
- *Both carryover and new funding:* i.e. you will need to both carry over unencumbered funds from FY2022 and will require new funds in FY2023.

The cash flow projection template is available in Hyperion.

Current year unencumbered funding for CEP projects will not automatically roll over into FY2023. It must be re-requested as carryover funding in FY2023.

As a reminder, offices will no longer be able to automatically roll over FY2022 unencumbered funding into FY2023 or re-prioritize it to another project. Any unspent funding for closed or cancelled projects will no longer be available to the office. Thus, if an ongoing project will roll over into FY2023 and is projected to have unencumbered funding by the end of

FY2022, the office **must** indicate this in Hyperion for their ongoing CEP project. Please select “ongoing” as the priority type for the project and request to have the portion of your funding that is anticipated to be unencumbered by the end of FY2022 re-appropriated to the project in FY2023. **Ongoing CEP projects only need to be reviewed and updated, as needed, in Hyperion.** We do not require that a Business Case be completed within the BC Form.

However, if you are requesting new funding for your ongoing project, you must:

- Add a justification into the Cash Flow Projection template in the section for “Department Comments”
- Upload the updated SOW or other quote supporting the amount of the new funding into Hyperion

Such supporting documentation must be uploaded into the “CEP Cash Flows and Project Scope Submittals” in Hyperion using the following naming convention:

- Cash Flow Projection template: “[Department#]_CAPEX Cash Flow Projections”
- SOW: “[Department#]_[Project ID#]_Scope of Work”

Ongoing projects will be reviewed at the end of FY2022 to determine the amount of remaining funds available on the project. If an office expends more than projected in FY2022, DBMS will reduce the amount available for re-appropriation in FY2023.

II. New CEP Requests

To submit a new CEP request, offices must:

1. Complete Steps 0-5 of the Form
2. Complete the Business Case Form **and**
3. Submit a CEP budget into Hyperion.

Prior to submitting a new CEP project request, offices are broadly responsible for:

- reviewing the Allowable IT Capital Expenditures list (available on the STEP portal);
- selecting the correct funding source(s) for each requested item;
- considering procurement, delivery, and invoicing timelines for each requested project;
- making sure the useful life of each requested project is at least five (5) years, with a value of \$5,000 or more;
- reviewing the IT and furniture pricing lists, and if needed, reaching out to their respective Budget Analyst for assistance; and
- writing a detailed justification, including the pros and cons, for the project.

We encourage offices to provide as much detail about their project(s) as possible to give the reviewing committee enough information to understand (a) how the project fits into the overall operational and strategic goals for your office, and (b) what, if any, benefits the project will bring to the County (and to the extent applicable, other offices).

If your new CEP request is related to and reliant upon the approval and/or completion of a CIP request, please only submit the CEP request by entering information in the BC Form, not Hyperion.

If your new CEP request is reliant upon the approval and/or completion of a CIP request, only submit the CEP request by entering the information in the BC Form, **not in Hyperion**. The BC Form allows for the selection of both CIP and CEP in a singular submission for projects that require both. During department coordination meetings with DCPD, it will be determined whether the CIP portion of your project will be completed in FY2023. If so, DCPD will enter your CEP request as denoted on the BC Form into Hyperion on your behalf.

If your CEP need is related to an ongoing CIP project, please confirm with DCPD that any related furniture and/or audio-visual equipment requests will be entered into Hyperion and the BC Form on your behalf. Any additional and/or related CEP needs, such as computer equipment, that are likely to begin in FY2023 should be entered by the user department in the BC Form and Hyperion for consideration.

New stand-alone CEP projects that are likely to begin in FY2023 should continue to be entered by the user department into Hyperion and the BC Form for consideration.

Funding Sources Selection:

Part of the review process for each CEP project includes understanding the funding structure for the equipment purchase. The office will be required to select the funding source(s) for each CEP project request. Each CEP project can be funded by one or multiple funding sources, such as:

- Operating Fund: used to fund CEP within the Corporate, Public Safety or Health Enterprise fund. Projects funded out of the Operating Fund are automatically linked to the operating budget of the office.
- Special Purpose Fund: used to fund CEP within the special purpose fund. Projects funded through a special purpose fund require identification of the SPF number with the CEP submission and are automatically linked to the office's special purpose fund budget.
- Grant Fund: restricted funds awarded to the office for specific purposes through a grant. To the extent that the requested CEP project is to be funded through a grant award received after the capital budget is appropriated, the office must also request that capital appropriation be established for the capital purchase before the purchase can be made.
- Debt Proceeds: funds obtained by the issuance of bonds, which are administered by the OCFO.

Budget Development:

When preparing your requests and justifications, please bear in mind that the cost of the requested equipment is often only a portion of the overall cost. Please factor in any additional costs the project will have on your office's operating budget, including whether:

- there is any ongoing cost of the equipment beyond year one;
- any training is required for your staff with the implementation of the new equipment;

- you will need additional technical IT support and maintenance beyond the first year of implementation;
- there are any hosting fees or extended warranties associated with the project;
- the project has any lease obligations;
- there are any subscription costs associated with the project;
- there are any other costs that cannot be covered through debt dollars (i.e. non-capitalized costs); or
- there are any implementation costs related to your furniture request (such as delivery or installation costs).

For each project request, the cost of the requested equipment, together with any of the above supplemental costs, make up the project budget. When submitting your CEP request, you will need to provide an itemized budget in “Step 2” of the BC Form reflecting the cost of each component of the project. In addition, you will need to provide an estimated total project budget for each year of the project. The *Capital Expenditure Guidelines, Reference Guide for Capital Equipment Projects*, and *Allowable IT Capital Expenditures* manuals, together with the IT and furniture pricing guides available on the STEP portal provide information to help you develop the operating budgets for each CEP Project. However, please do reach out to your respective Budget Analyst should you need any assistance in developing the operating budget.

A few additional considerations:

- Before submitting a furniture request, offices should consult with DFM Salvage (salvage@cookcountyil.gov) and consider the availability of donated furniture to satisfy their needs.
- IT equipment requests *valued at or under \$5,000* will not need to be submitted for approval through the CEP request process. All such requests may be submitted directly to BOT using the IT Equipment Request Form available on the STEP portal. Please follow the instructions on the form for submitting such requests for review and consideration by BOT.

Vehicle Requests

To submit a vehicle request, offices must:

1. Complete the Vehicle Request Form; **and**
2. Enter the budget and upload the form into Hyperion.

No business case will need to be submitted through the BC Form. On the Vehicle Request Form, you will need to provide a justification explaining the need for the requested new/replacement vehicle(s). Please note, the Vehicle Request Form must be submitted for **vehicle purchases and vehicle leases**.

Prior to uploading your vehicle request to Hyperion, please save it using the following title convention:

“[Department#]_[Deliverable Type]_[(Project Name)]”

For example, a vehicle request for DBMS would be “1014 Vehicle Request Form (Replacement Vehicle)”. Acceptable format for the submission is Excel. Scanned documents will not be taken into consideration.

Capital Improvement Requests (CIP)

Capital Improvement Projects (CIP) include all remodeling or construction projects. Thus, the **CIP application** within the BC Form should be selected for requests that pertain to:

- New Construction
- Construction Additions
- Space Renovations
- Re-purposing existing space
- Replacing outdated systems

To submit a CIP request, offices will be asked to complete Steps 0-3 and Steps 6-7 on the online application.

In support of the FY2023 CIP request process, the Bureau of Asset Management (BAM) has established the following meetings:

- High-level CIP Orientation Meetings are being held in February and March of 2022
- Detailed CIP Project Meetings are being held in March and April of 2022
- Capital Request Informational Session – Virtually on Friday, April 1st

Please thoroughly answer each question in the BC Form, to the best of your ability, and provide specific details and justification to support the review process. All CIP correspondence, questions and submissions should be handled by the designated CIP representative identified by your office during the High Level and Detailed CIP meetings. It is highly encouraged that the CIP representative attends all meetings noted above.

If your new CIP request contains elements of capital equipment (CEP) needs, please thoroughly review the instructions for submitting the related CEP request in the “Capital Equipment Requests” section.

If your new CIP request contains elements of capital equipment (CEP) needs, please thoroughly review the instructions for submitting the related CEP request in the “Capital Equipment Requests (CEP)” section above.

Current Year (FY2022) Capital Requests

Offices often inquire with DBMS, BOA and BAM about the process for current year capital requests. We understand that offices may have unforeseen projects that they would like reviewed for implementation during the current fiscal year. As it relates to such requests, please note the following:

- Offices must have received capital authority for their current year CEP projects in the FY2022 Appropriation. If a current year CEP project or the funding for such project was not authorized as part of the capital appropriation in the FY2022 Annual Appropriation Bill, the office will need to work with DBMS and the CFO’s office to determine if there is a mechanism available to fund the project. ***It is important to remember that no CEP may be purchased without corresponding capital authority under the Appropriation Bill, even if your office is funding the purchase with operating, grant, or special purpose fund dollars and not with capital debt.***
- If your office received a new grant (which is not included in the FY2022 Annual

Appropriation Bill) or an amendment to an existing grant, and the terms of the grant permit the funding of capital equipment projects, as long as the Board has approved the execution of the new or amended grant award, the office is allowed to spend funds for capital equipment in FY2022. However, you must work with DBMS to set up the capital project prior to using the grant funding to make the purchase.

See below for additional guidelines for specific current year (FY2022) equipment requests.

I. IT Requests

IT equipment requests *valued at or under \$5,000* may be submitted directly to BOT using the IT Equipment Request Form available on the STEP portal. Please follow the instructions on the form for submitting such requests for review and consideration by BOT.

II. Vehicle Requests

Vehicle purchase or lease needs that arise during the year must be reviewed and approved by the Vehicle Steering Committee. Offices must complete the Vehicle Request Form located on the STEP Portal and submit it to your Budget Analyst for review. If funding and appropriation for your request are available, DBMS will notify your office so that you can submit your vehicle request to the Vehicle Steering Committee for consideration.

III. Space and/or Furniture Requests

The **SAC application** within the BC Form may be used year-round for current-year space and furniture requests. This form should be selected for requests that pertain to:

- Space Requests
- Furniture Requests
- Both Space and Furniture Requests

A SAC request should only be submitted for:

- Space requests that have an approved CIP project, or
- Furniture requests that are both over \$5,000 and have an approved CEP project.

To submit a SAC request, offices will be asked to complete Steps 0-1 and Step 8 in the BC Form.

The Space Allocation Committee (SAC) acts as the oversight and review mechanism for all space change requests whether it be for departmental growth or construction. The Department of Real Estate Management is responsible for reviewing and vetting requests on behalf of the SAC based on existing space use and other applicable factors, including, but not limited to, budgeted FTE counts, funding, safety and security, and workflow issues. Representatives from the specific building and subject matter experts are also involved in vetting the ability to accomplish the change in the building. ***Note that all changes in the occupancy or use of County owned or leased space is required by ordinance to be reviewed and approved by the SAC.***

Space requests must meet at least one of the following criteria:

- Correct code violation

- Correct a safety or security hazard
- Address over-crowding
- Reduce space use or addresses underutilization of space
- Enhance productivity or efficiency
- Relocate inactive records offsite

SAC also reviews all furniture orders over \$5,000 to verify that the orders comply with the County’s Furniture Standards. BAM has developed Furniture Standards, in conjunction with Workplace Strategy + Design guidelines, to ensure that our customers are purchasing furniture that meets a minimum standard of quality, ensuring a longer lasting product that better promotes an efficient, productive, and safe workplace.

The process for the submission, evaluation and determination of furniture requests include:

- Your office has received approval for the purchase through the CEP capital request process.
- Your office submits a request through the BC Form.
- SAC reviews the furniture request.
- SAC will review donated furniture options before considering new purchases for the space.
- If SAC approves a new purchase, SAC provides your office the approved furniture vendor list.
- SAC will work with the requesting office to make final furniture selections.

Available funding, if needed, and capital appropriation must also be available prior to the approval of a current year space and/or furniture request.

Additional Guides and Contacts

Please refer to the following job aids and guides for more information on how to complete your office’s capital project request in Hyperion.

- Access the [Knowledge Center](http://step.cookcountyil.gov/) Training Resources on the STEP Portal <http://step.cookcountyil.gov/>.
- View the Job Aids & Procedures documents here: <http://step.cookcountyil.gov/coming-soon/policies-procedures/>.

For questions related to the following areas, please reach out to the contacts indicated below:

Topic	Contact	Contract Information
Access or use of Hyperion	Vincent Patterson	vincent.patterson@cookcountyil.gov
Access or use of the Business Case online form	Ivo Lazarov	ivaylo.lazarov@cookcountyil.gov
CIP business case development	Eric Davis	Eric.Davis@cookcountyil.gov
Furniture requests	Patricia Moreno Bryant Treadwell	patricia.moreno@cookcountyil.gov bryant.treadwell@cookcountyil.gov
SAC requests	Patricia Moreno	patricia.moreno@cookcountyil.gov
IT infrastructure projects	Hema Sundaram	hema.sundaram@cookcountyil.gov
Vehicle Requests	Radoslav Stoilov	radoslav.stoilov@cookcountyil.gov
Other capital budget questions	Your assigned Budget Analyst	