Roadmap to Selecting a Capital Planning Solution

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Capital planning is at the starting line for successful program portfolio management; done correctly, it is also found at the finish line.

Capital planning is more than allocating and budgeting funds and resources for any given program. It is a lens into the health of a program during its entire life cycle: planning, building, maintaining, and operating.

Deploying the right software for your organization should ultimately increase your productivity, eliminate errors and rework, and reduce stress among the team. Finding the right partner to help you achieve those goals can be a challenge.

The following Roadmap will help you navigate the sometimes uneven terrain in choosing the right capital planning solution for your organization.

STEP 1
Understanding Your Options

STEP 2
Building a Team

STEP 3
Needs, Wants, & Nice to Haves

STEP 4
How to Buy

STEP 5
Rolling Out a New Solution

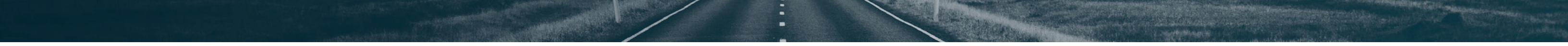
STEP 6
Change Management

1 Understanding Your Options

Today, the lines have become blurred when talking about building and infrastructure programs and the different systems that support the various steps of the program's life cycle.

In Step 1, Understanding Your Options, you must do your research, start classifying the various solutions into four categories based on what they do at their core, and decide what road to go down.

Solution	Pro	Con
1. Excel Spreadsheets	This powerful Microsoft tool utilized by disparate departments is used to keep track of capital improvement program data. The tool is easy to access, and it is easy to add data or specific calculations based on specific needs.	Organizations with complex data often outgrow what Excel can provide. Data entry errors or miscalculated formulas impact an entire report, making the data inaccurate and unreliable for decision-making. Reports are often incomplete and can lag weeks behind, thus not offering current insights. In addition, it is imperative to obtain data from other departments to gain an accurate view of the entire planning process, and sharing data in a timely manner is often not a priority for other departments.
2. Project Management Information System (PMIS)	Systems focused on the building part of the Capital Improvement Planning (CIP) process, delivering views into how each program is progressing and identifying potential risk. These systems are good at managing projects that are already under construction.	One-way road to the building part of the CIP life cycle, often not sharing data with, or leveraging, capital planning data on where funds are being distributed, how they are being spent, and when change orders impact the cost and time frame of the project. Typically weak at handling complex funding requirements such as multi-year forecasting and What-If analysis.
3. Point Planning Solutions	Focused on the planning part of the CIP program; managing funding and grants for programs and associated projects.	One-way road to the panning part of the CIP life cycle, with little visibility of how the funds are being used, when there is risk to the projects, and how spending is impacted.
4. Enterprise Planning	A comprehensive solution managing all the planning efforts of the CIP. Integrating and building a two-lane road between key data from the build, operate, and maintain parts of the CIP, delivering a lens into the health, progress, and associated risk of a program any time.	Too often, enterprise planning is driven by teams implementing a PMIS, which leaves gaps in managing funds and spending.



2 Building a Team

Roadblocks are often found within an organization regarding different department/agency software requirements, budgets, and spending. Too often, different solutions are purchased for each team when a single solution could benefit the entire organization, maximizing spending and information sharing.

In Step 2—Building a Team, it is important to define and include other departments/agencies within your organization from whom you will need data for planning, and vice versa. The right solution could be used across the entire organization.

Choose one or two key people from the following teams to take this trip with you; they will each have valuable insights into how things are run, how they could be run, and the data points needed to support each department/agency.

3 Needs, Wants, and Nice to Haves

Now that you understand the landscape of the different tools, mapping out what data you need to track in your planning process is the next highway you need to merge onto.

In Step 3—Needs, Wants, and Nice to Haves—create a list of the data you NEED to have in your single-source solution, the WANT to have data, and the NICE to HAVE data. When creating this list, think about the reports and dashboards you ultimately will need, the configurable workflows, and the data integration points. Also include other department/agency requirements: those who will need the data from your system and vice versa.

The following checklist will get you started when defining the data to be managed in your capital planning solutions.

Capital Projects

- ☐ Multi-Year Planning
- ☐ Project Scoring
- ☐ Generate STIP
- ☐ Generate FAN Requests
- ☐ Generate and Submit PS&E
- ☐ Generate and Submit Final Bill of Aid
- ☐ Track FWHA Reimbursements
- ☐ FHWA Data Integration (Project Obligation and De-Obligation)
- ☐ Project Amendments

Capital Programs

- ☐ Multi-Year Program Approvals
- ☐ Manage CIP Programs
- ☐ Manage STIP Programs
- ☐ Manage Proposed Projects
- ☐ Funding Workflow Management (Tracking Decisions, Approvals, and Progress)

Funding

- ☐ Determining Funding Sources
- ☐ Fund(s) Allocation and Availability
- ☐ Fund Allocations to Programs and Projects
- ☐ Validation Rules and Notifications
- ☐ Fund(s) Spending Reports

Budgeting

- ☐ Cash Flow Management
- ☐ Compare Budget vs. Actuals
- ☐ Built-In Standard Item Price Libraries
- ☐ Associate Funds to Budget Items
- ☐ Tracking of Funding Sources
- ☐ Tracking of Itemized Costs
- ☐ Tracking of Revisions
- ☐ Budget Allocation at the Program and Project Levels

Forecasting

- ☐ Multi-Year Cash Flow Forecasting
- ☐ What-If Forecasting
- ☐ Inflation Adjustments
- ☐ Interest Capitalization
- ☐ Expenditure Curves

Analysis

- ☐ Comparison of Existing Plans
- ☐ What-If Analysis
- ☐ Budget Analysis
- ☐ CIP or STIP Phased Scheduling
- ☐ Full History of Program and Budget Scenarios Over Time
- ☐ Map Current STIP Program to Forecasted STIP for Historical Tracking Purposes
- ☐ Out-of-the-Box Dashboards and Reports
- ☐ Configurable Dashboards and Reports

Integrations

- ☐ Open API
- ☐ Financial Systems/FMIS 5 Integration
- ☐ Asset Management Systems
- ☐ ESRI/GIS Mapping
- ☐ Electronic Signatures

4 How to Buy

With so many capital planning solutions claiming they deliver the “best” and “leading” products, make sure you have a solid plan to evaluate each tool.

In Step 4—How to Buy—remember you are in the driver’s seat and you are in control of the route you take. There are a few options worth mentioning, but note that they are not all standalone. You might include all three funding strategies in your buying process or just one or two. Knowing your options is the best place to start.

1. Request for Information (RFI)/Request for Proposal (RFP)

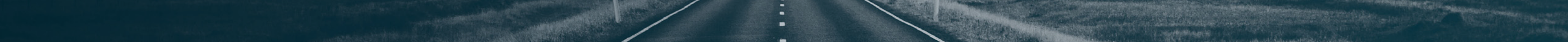
Leveraging what has been outlined in this buyers’ guide Roadmap, define a request for information (RFI) or request for proposal (RFP), and distribute it to your short list. This route is good if you have time and your procurement requires multiple bids.

2. General Services Administration (GSA) Schedules

Buying off the GSA can accelerate the decision/buying process. Most established software providers will offer this option. It allows for standardized packages and pricing that make the procurement process easier, although this may not fit situations where your needs are highly specialized.

3. Cooperative or Existing Contract

Explore what the surrounding cities, districts, or even the state is using to leverage their capital planning. You can often add to the existing contract or obtain funds from other departments to choose a solution across agencies.



5 Rolling Out a New Solution

Solution providers will often tell you what they want you to hear, but as you make this trip, you are in control of the route you take. In Step 5—You Are in the Driver's Seat—make sure you are asking the following questions to your shortlisted providers:

1. Public sector footprint

Ask about customers served in the public and private sectors, as well as how long they have been serving each sector. Where did they start? Too often, if a solution was developed to address the needs of one sector, it could be missing critical features and functionalities for the other sector.

2. References

Ask for references of current and churned customers to understand not only how people are using the system but also why customers abandoned the product. Could their concerns become yours?

3. Back-end technology

Ask about the platform and technology supporting the solution. Leverage expertise from your own internal experts—your IT Department. This will define how the product will grow and scale over time.

4. Security

Inquire about the security certifications the vendor holds.

5. Implementation process

Ask to have YOUR team defined, understand who they are, years with the provider, industry expertise, and how often you will have access to them.

6. Where will the solution be hosted?

Is the vendor offering a software as a Service (SaaS) solution on Amazon Web Service (AWA) or an on-premises solution? Request the justification on why the hosted solution was chosen.

7. True cost

Unfortunately, this is a major speed bump you do not want in your way after the contract is signed! Ask questions such as the following:

- What is the overall contract cost based on the term?
- What is included, and what are the add-on costs over time?
- Number of users
- Feature/Functionality
- Implementation
- Training
- Add-On functionality
- System customization

6 Change Management

To make sure you are ready for your journey, having the RIGHT people in the car with you is just as important, if not more important, than the solution itself!

Systems are only successful if the people using them have bought in on WHY the system is being purchased, how it will impact the organization and by making sure the people are trained.

In Step 6—Change Management—the goal is to make sure leadership has bought in and supports the new technology and the value it brings to the entire organization.

Leverage the team in Step 2—Building a Team—as your internal advocates to ease the mind of those who are not comfortable with change. In addition, during the process, include those will be using the system every day. They will add valuable insight, as they are the day-to-day users. Soon they will support the change and new technology. This will go a long way in keeping the momentum and focus on the implementation and adoption of the new system for years to come, allowing you to fully realize the return on investment.

TRAIN! Do not just train the team once and think you have done your job. As people get used to the system, they will need constant training to optimize the system.

Roadmap

The capital planning journey does not have to be full of potholes and wrong turns.

By following these six steps, you and your team will get to your destination well educated and ready for your next journey to successful funding, planning, and building amazing infrastructure and buildings!

THE 6 STEP ROADMAP TO SELECTING A CAPITAL PLANNING SOLUTION