

CAPITAL IMPROVEMENTS
REVIEW PROCESS

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This planning study was accomplished under a grant from the Economic Development Administration. The statements, findings, conclusions, recommendations, and other data in this report are solely those of the Grantee and do not necessarily reflect the views of the Economic Development Administration.

BUREAU OF PLANNING

JUNE, 1977

INTRODUCTION

The Bureau of Planning is mandated by Public Law 12-200 to develop a Five-Year Capital Improvement Program for Guam. In developing this program, the Bureau has taken the approach of establishing a Capital Improvements Review Process. This process accomplishes four main objectives:

1. To coordinate all capital improvement projects.
2. To facilitate the updating of the Capital Improvement Program through continuous project review.
3. To clarify existing responsibilities for review.
4. To define the nature and scope of project review.

For many years, a multitude of capital improvement projects have been considered for possible implementation. Many projects have been completed whereas many others are continually resubmitted for consideration.

In part, this paper addresses the manner in which decisions regarding capital improvement projects are made. It also establishes a framework that assists decision makers in evaluating the short- and long-term impacts of proposed projects, thereby ensuring that Guam's development objectives and policies are properly implemented.

The report is organized into three main sections: Historical Background of Capital Improvements, Statement of Problems, and Conclusions and Recommendations. The Appendices contain the evaluation of alternatives, the list of impact considerations and an instruction booklet.

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HISTORICAL BACKGROUND

Prior to World War-II, the island's public facilities included: several bridges, paved roads, docks, piers, seaplane ramps, hangers, schools, two hospitals, clinics, government offices, water reservoirs, dams and wells, a sewer system for Agana and telephone facilities to service a population of approximately 50,000. These were destroyed, however, as American forces recaptured Guam in July, 1944.

Immediately following the war, the Commander of the Naval Forces Marianas requested \$15 Million from the U.S. Congress for the purpose of Guam's rehabilitation. This request was trimmed to \$6 Million for the completion of 18 projects including the construction of a congressional building, police headquarters and 40% of the streets, sidewalks, and utilities in two major cities, Agana and Agat. However, these funds were insufficient to cover expenses for vital hospital, power, water, or telephone facilities islandwide.

Three years later, another request for \$25 Million was made to rehabilitate island facilities. Although the Navy's request for constructing civilian projects was disapproved, \$43 Million for military reconstruction was approved. Guam, in effect, received \$6 Million as compensation for losses suffered during the war.

Public Facilities, 1950-1962

The Organic Act, effective August 1, 1950, established the new Civil Government of Guam. Section 28(a) provided that title to all real and

personal property owned by the U.S. Government and employed by the Naval Government be transferred to the local government within 90 days after its enactment. Although transmission lines, some equipment, and water pipes were transferred, other properties such as highway, water, power, and telephone systems were not transferred. A series of occurrences prevented the transfer of these facilities. First, the Naval Government condemned most of the island's water facilities, highways, and about 43% of Guam's prime agricultural lands. They then transferred ownership of these properties to the U.S. Government by quitclaim deed one day before the Organic Act became effective. These properties were then covered by Section 28(b) which stipulates that properties owned by the U.S. Government could be reserved by the President. Presidential Executive Order No. 10178 issued on November 1, 1950 but signed on October 30, 1950 reserved and re-transferred to the Navy all real and personal property owned by the U.S. that was not identified by the Secretary of the Navy to be used as repayment for condemned property.

As a result of these occurrences, the local government began operations with a capitalization of \$2.9 Million, virtually no public facilities under their jurisdiction and no reliable source of revenue other than military spending. Utilities were purchased or rented from the military and, as revenues could barely support government operations, vital capital improvements could not be financed. Despite its new government, the island found its economic development at a standstill because of the inadequate revenues, the military security clearance requirement, and the lack of supportive infrastructure.

1962-1976

In 1962, the island was almost totally devastated by Typhoon Karen. Consequently, the Federal government authorized a \$45 Million loan to the local government to restore public facilities. Six years later, \$30 Million in grants was appropriated by the Federal government.

Of the total rehabilitation funds, a significant portion was expended on non-revenue producing projects; i.e., schools, fire and police stations, and public health centers. The remainder was funnelled out of the territory as port restrictions were lifted and as contract laborers and imported materials arrived.

As the Rehabilitation funds were depleted, community needs were only partially satisfied. At the present time, local government revenues cannot support a capital-intensive improvement program. The Federal government has assisted the island through significant contributions in many capital improvement projects. However, this assistance has not adequately addressed the infrastructure needs of the island.

Consequently, it is more important to make maximum use of the funds that are available for capital improvements and that the most beneficial projects that satisfy community needs and support island objectives be implemented.

STATEMENT OF PROBLEMS

To make maximum use of available funds, projects must be coordinated and prioritized.

This entails that:

1. Projects must be consistent with the goals, objectives, and policies of the Comprehensive Development Plan.
2. Projects must be consistent with each other.
3. Similar projects must be appropriately scheduled.

Two obstacles prevent effective coordination in capital improvements planning. The first obstacle is the numerous agencies responsible for Capital Improvement Projects and second, are the different review procedures that these agencies must follow.

Responsible Agencies

Table 1 identifies the major agencies and their specific functional responsibilities. Two types of responsibilities are evident. The first is the responsibility for infrastructure projects such as those related to the provision of water, power, sewer, telephone, and transportation facilities and services. These are normally capital-intensive projects and since they are frequently funded by the Federal government, inter-agency review of projects is conducted.

In terms of public support facilities such as schools, parks, and other facilities, coordination takes the form of review, design, and construction of that particular project by the Department of Public Works. The project's necessity and its priority is determined prior to the Department of Public Works' involvement.

Decentralizing functional responsibilities to numerous agencies has many advantages in providing community services. On the other hand, decentralization has also created problems in coordinating the activities of functional

TABLE 1: AGENCIES RESPONSIBLE FOR CAPITAL
IMPROVEMENT PROJECT PLANNING

AGENCY	RESPONSIBILITY	SOURCE OF AUTHORITY
Public Utility Agency of Guam	To plan, design, construct, maintain, and operate the water and wastewater system.	Section 9671 and 21204
Guam Power Authority	To perform all activities related to the generation, transmission and distribution of power.	Section 21500
Guam Telephone Authority	To establish and maintain the telephone system.	Section 21600
Dept. of Public Works	To erect and maintain any public building, transportation system, or other public facility.	Section 10001
Guam Economic Development Authority	To develop and maintain facilities for lease or sale and provide for the expansion of agriculture, industrial, hospital, housing, and tourist facilities through financial assistance and other means.	Section 53552
Guam Airport Authority	To acquire, construct, reconstruct, purchase, extend, improve, better, operate, and maintain airport and related facilities for civil aviation purposes.	Section 62003
Port Authority of Guam	To maintain constant <u>review</u> and <u>evaluation</u> of planning, promotion, development, construction, alteration, maintenance, and operation of port facilities.	Section 14001
Dept. of Parks and Recreation	To control, manage, develop, and maintain all areas of the Guam Territorial Park system (except community parks and community recreation facilities) including The Development of Recreation Programs and Historic Preservation Plans.	Section 26011, 13985, 26017 and 26005
Dept. of Education	To operate, maintain, and establish the public school system.	Section 29(b) Organic Act
University of Guam	Provide library and consultation services; conduct research; construct and maintain buildings, fences, and lights; and improve drainage utilities roads and grounds	Section 11838 (P.L. 13-194)

agencies. These problems have necessitated the implementation of various capital improvement review procedures.

Review Procedures

The existing review procedures were based upon those used in administering Typhoon Karen Rehabilitation Act funds. These are:

1. "Each year a call went out from the Bureau of Budget to all departments and agencies requesting an update on their five-year capital improvement programs.
2. The Coordinator for Federal Programs and the Director of the Bureau of Budget then reviewed the department's five-year program requests and determined which ones would be eligible for Rehabilitation Act funding.
3. The Federal Coordinator then prepared a Planning, Programming, and Budgeting (PPB) Memorandum for the Department of the Interior based upon the above decisions.
4. Copies of the memorandum and Capital Improvement Projects requests were then sent to the Legislature for approval by Resolution.
5. Based upon the endorsed memorandum, the Department of the Interior would then (usually) fund the projects request." (Memorandum dated May 11, 1976 from the Special Assistant for Special Projects to the Governor concerning the Establishment of the Capital Improvements Policy Committee.)

Since the Federal Programs Office merged with the Bureau of Budget and Management Research (BBMR) in July, 1971, the responsibility for reviewing projects has shifted to the BBMR and other government agencies and committees. These agencies and committees and the procedures followed are presented in Table 2.

As shown in Table 2, different review committees follow different review procedures depending upon the nature of the project and its funding source. For locally funded projects, the BBMR initiates review as part of its budgetary responsibilities. For federally funded projects, the Capital Improvements Policy Committee and BBMR (State Clearinghouse Staff) reviews each project. Projects included in an agency's development

TABLE 2: SUMMARY OF CIP REVIEW PROCEDURES

Procedure: Existing Budgetary Procedures

1. Memoranda sent to agencies from BBMR.
2. Listings of capital improvement projects are submitted as part of an agency's budget.
3. BBMR determines the availability of funds and potential for funding.
4. BBMR makes recommendations to the Governor.
5. Governor's Annual Budget transmitted to the Legislature.
6. If appropriations are made, the project is implemented.
7. The Capital Improvements Implementation Committee reviews the status of the project.

Procedure: Federally-Funded CIP's

1. Memoranda sent to agencies from the Capital Improvements Policy Committee.
2. Projects are submitted for committee review.
3. Recommendations sent to the Governor.
4. Possible submission of list to Legislature.
5. Review by appropriate federal agencies.
6. If implemented, project status is reviewed by the Capital Improvements Implementation Committee.

Procedure: Clearinghouse Review

1. Initial agency correspondence with federal agency.
2. Submission of application to BBMR and State Clearinghouse (Lt. Governor's Office).
3. BBMR notifies other agencies affected by the proposed project and within 30 days, arranges a conference with these agencies and the applicant.
4. Clearinghouse approves application and transmits it to the Governor.
5. If approved, applicant forwards application to federal agency.
6. If federal approval is obtained, the project is implemented.
7. Possible review of project status by the Capital Improvements Implementation Committee.

Procedure: Comprehensive Plan Elements (Programs)

1. Plan element prepared by responsible agency.
2. Review by the Central Planning Council.
3. Recommendations to the Governor.
4. Action by the Legislature.
5. If approved, projects follow the above procedures depending upon the nature of the project or the source of project funds.

plan or program as elements of the Master Plan; e.g., the Transportation or Outdoor Recreation Plans are reviewed by the Central Planning Council (Public Law 12-200). The specific roles of these review bodies in ensuring coordination are discussed in detail in the next section.

Council on Executive Policy and the Capital Improvements Policy Committee

The Council on Executive Policy (CEP) was established for the purpose of "making recommendations to the Governor on territorial needs and priorities of such needs." In making recommendations, the Council shall:

1. Coordinate the Administration's priorities.
2. Adopt, develop, and recommend programs.
3. Recommend policy choices on vital and sensitive issues.
4. Provide a rapid response to the Governor's needs for policy advice.
5. Issue recommendations for policy change.
6. Perform and maintain a continuous review of ongoing programs.
7. Recommend a course(s) of action to be taken on problems."
(Governor's Circulars 45 and 58)

The CEP operates through a number of ad hoc committees, including the Capital Improvements Policy Committee. This committee is required to plan and establish policies and priorities for capital improvement programs and furnish recommendations to the CEP for their consideration. Finally, the Governor's memorandum dated April 30, 1976 established a Capital Improvements Implementation Committee to coordinate activities, facilitate communications and ensure the efficient and smooth implementation of capital improvement projects.

Bureau of Budget and Management Research

Public Law 12-115 established the Bureau of Budget and Management Research (BBMR) with the responsibility to "review each agency's operations plan to determine that it is consistent with the policy

decisions of the Governor and appropriations by the Legislature, that it reflects proper planning and efficient management methods. . ."

Also, clearinghouse procedures, established pursuant to Public Law 13-149, identified the BBMR as the agency which initially reviews federal program applications. The review conducted by BBMR has primarily an economic focus, emphasizing financial costs of a proposed project and the jobs created by it. BBMR relies upon other affected agencies to supply additional comments. It must be noted that the BBMR is strengthening its review process through the development of a Planning, Programming, and Budgeting System which will coordinate projects on the basis of specified objectives for various functional areas such as health, education, safety, etc.

Central Planning Council and the Bureau of Planning

The Central Planning Council (CPC) and its staff, the Bureau of Planning (BOP) were created by Public Law 12-200 with the responsibility to develop a Comprehensive Development Plan for Guam which will inter-relate functional objectives and will provide a framework for future growth. Additionally, the CPC has the responsibility to ensure that current planning programs are consistent with this plan. In the area of capital improvements planning, the BOP has the responsibility to develop "a five-year schedule of proposed capital improvements. . . which shall include a policy for the balanced development of port, highway and public transportation facilities including but not limited to, the University of Guam, health and welfare facilities. . ."

Conclusions and Recommendations

The purpose of this report is to establish a process by which all capital improvement projects can be reviewed and coordinated. Each component of the existing process was evaluated and the following problems were identified:

1. Decentralizing the responsibility for capital improvement planning to numerous functional agencies has made coordination difficult to achieve.
2. Coordinating policies and projects is hindered by the lack of explicit policy directions and review criteria.
3. Establishing many review committees with similar responsibilities and membership has resulted in confusion regarding their actual roles in CIP review.
4. Implementing numerous review procedures that do not adequately define the nature and scope of CIP review has complicated the existing process.

Since numerous committees and agencies have the responsibility to coordinate capital improvement projects, little coordination is actually achieved. Their failure is primarily attributed to vague and frequently conflicting policies which direct Guam's growth. These policies have resulted in deficiencies in the capital improvements decision-making process. The current nature of project review is primarily concerned with fiscal impact with little consideration given to the project's support of development goals, objectives, and policies. Although a project's consistency with other projects is discussed in the review process, there are no guarantees that the project will be consistent with other projects. On the other hand, projects that have a strong

political backing may not undergo any formal review. In effect, the existing Capital Improvement Review Process is characterized by a noticeable lack of direction, a lack of explicit project review criteria, and a lack of clear lines of authority concerning the roles and responsibilities for capital improvement planning, implementation, and evaluation.

To resolve these problems, the Bureau of Planning is currently formulating a Comprehensive Development Plan for Guam in accordance with Public Law 12-200. As envisioned, the Plan will contain policy statements which will direct Guam's future growth. Moreover, this Plan will provide the foundation for reviewing subsequent Capital Improvement Projects since Plan policies must be properly implemented. However, specific criteria must be developed to ensure project conformance with the Comprehensive Development Plan. Consequently, the Bureau of Planning recommends that the Impact Assessment technique (see Appendix 1) be utilized in reviewing all CIP's. In proposing a project, each agency must provide a description of the project and identify its potential impacts. This discussion of impacts will provide the basis from which to determine if the proposed project supports development objectives and policies. A recommended list of impact considerations is included in Appendix 3.

As Guam continues to grow and develop, the policies identified within the Plan inevitably will change. Consequently, a committee must be established to monitor these changes and make appropriate modifications in Guam's Capital Improvement Program to reflect changing aspirations and needs.

We recommend that the Central Planning Council (CPC) be delegated the authority to review, evaluate and prioritize all capital improvement projects. By law, the CPC has the authority and responsibility to review and update the elements of the Comprehensive Development Plan. Logically, the CPC should review projects to guarantee that current and future Plan policies are properly implemented. The advantages of this council are that it provides a balance of citizen and government interests, it possesses the technical resources of the directors' respective agencies and since it has direct lines of communication to the Governor, is in the position to monitor policy revisions.

The above recommendation consolidates all CIP review responsibilities and places them under the authority of CPC. This entails that the Capital Improvements Policy Committee, which is currently composed of three CPC members and two functional agency heads, be abolished. To implement this recommendation, those sections in the Governor's Circulars 45 and 58 must be deleted.

Consolidating all project review responsibilities also entails designating the CPC as the Clearinghouse Committee for Capital Improvement Projects. Since all projects, regardless of funding, should conform to the Comprehensive Development Plan, CIP review responsibilities should be transferred to CPC. At the present time, however, the Clearinghouse also reviews non-CIP federal programs such as Community Development Block Grants, crime prevention programs, drug programs, etc. Their review, in part, should also be the responsibility of CPC since these programs must also be in harmony with the social policies and goals of the Comprehensive Plan. However, the State Clearinghouse should maintain final authority for review of these non-CIP programs.

Since CPC determines which projects will be implemented, its members do not need to participate in activities that ensure the smooth and proper implementation of capital improvement projects. We recommend that the Capital Improvements Implementation Committee (CIIC) be composed of technical personnel from the functional agencies (e.g., Chief Engineers, etc.). The CIIC responsibilities should reflect its major function of ensuring the smooth and proper implementation of capital improvement projects. This also entails that the CIIC submit status reports to CPC and any requests for supplemental appropriations to complete projects or reimbursement of unused funds to the original funding source.

In accordance with Public Law 12-200 which mandates that the Bureau of Planning provide staff support to the CPC and compile the government's capital improvement program, we recommend that the Bureau of Planning initially review proposed projects for conformity with the Comprehensive Plan. This should be accomplished prior to formal project submission to CPC.

According to law, the Bureau is required to compile a list of capital improvement projects. With this in mind and the fact that the Bureau does possess comprehensive review capabilities, it should initially review projects for conformity.

The recommended process will have major implications for the Bureau of Planning. Its implementation will entail designating staff personnel to review preliminary assessments, make recommendations, and maintain files. The staff's present support to CPC, however, is consistent with any additional responsibilities required by implementing the review process.

Through location of facilities and services, autonomous agencies can inadvertently make policy decisions concerning the future direction of Guam's growth. We recommend that these agencies, regardless of their source of funding, be required to advise the CPC on all their recommended capital improvement projects.

A common practice has been to fund capital improvement projects in their entirety from the feasibility study, A & E design to actual construction. A possible consequence of this practice is to commit funds to projects that are found to be impractical or result in tremendous future operating expenditures. Therefore, we recommend that all major capital improvement projects initially have a feasibility study which shall be approved by the CPC prior to submitting an appropriations request for A & E design and actual construction. A project requires a feasibility study if it results in significant impacts. (See Appendix 5).

Lastly, we recommend that the following procedures be adopted and utilized in the recommendation of projects by agencies and in the ultimate compilation of a Capital Improvement Program for Guam.

PROJECT APPROVAL:

- Step 1. A government agency or citizen group submits a Project Identification Form (PIF) consisting of a factual description of the proposed project and a preliminary assessment of its potential costs and benefits to the Bureau of Planning. The PIF should be accompanied by a draft appropriations bill which encompasses the entire cost of a minor project or for the cost of a feasibility study for major projects.
- Step 2. The Bureau of Planning reviews the PIF and determines if it has been completed to the greatest possible degree.
- Step 3. The recommending agency or group transmits the completed PIF to all affected agencies identified by the questions on the PIF.
- Step 4. The affected agencies transmit their recommendations to the Bureau of Planning.
- Step 5. The Bureau of Planning assesses the project given the information on the PIF and other comments and determines whether it conforms to the Master Plan and to other proposed projects in terms of its impacts and scheduling. All recommendations are sent to the CPC. At this time, the Bureau of Planning determines if the project is major or minor depending upon its impacts.
- Step 6. If major, CPC determines whether or not the project can proceed to public hearing.

- Step 7. If approved, the recommending agency conducts a public hearing and transmits the minutes of the meeting to CPC.
- Step 8. On the basis of all comments, recommendations and the PIF, the CPC makes its recommendations.
- Step 9. The CPC transmits the entire project proposal and recommendations to the State Clearinghouse.
- Step 10. The State Clearinghouse transmits the entire project proposal with its recommendations to the Governor.
- Step 11. If approved, the Bureau of Planning adds the project to the Government of Guam's Capital Improvements Program.

PROJECT FUNDING:

- Step 12. If the project is listed on the Capital Improvements Program, funding is sought for the entire project if minor or for a feasibility study if major.
- Steps 13-14. If approved, the State Clearinghouse, the Bureau of Budget and Management Research and the Department of Administration logs the necessary information.

FEASIBILITY STUDIES:

- Step 15. For major projects, a feasibility study of the project is conducted by the recommending agency or group.
- Step 16. The feasibility study is submitted to and reviewed by CPC.
- Step 17. The CPC submits its recommendations to the Governor.
- Step 18. If disapproved, the Bureau of Planning removes the project the CIP Program.

DESIGN AND CONSTRUCTION:

- Step 19. If the feasibility study is approved, legislation or an application is submitted for design and construction or supplemental requests.
- Step 20. If funding is approved, the State Clearinghouse, Bureau of Budget and Management Research and Administration logs necessary information.
- Step 21. The project is implemented or continued.

PROJECT STATUS:

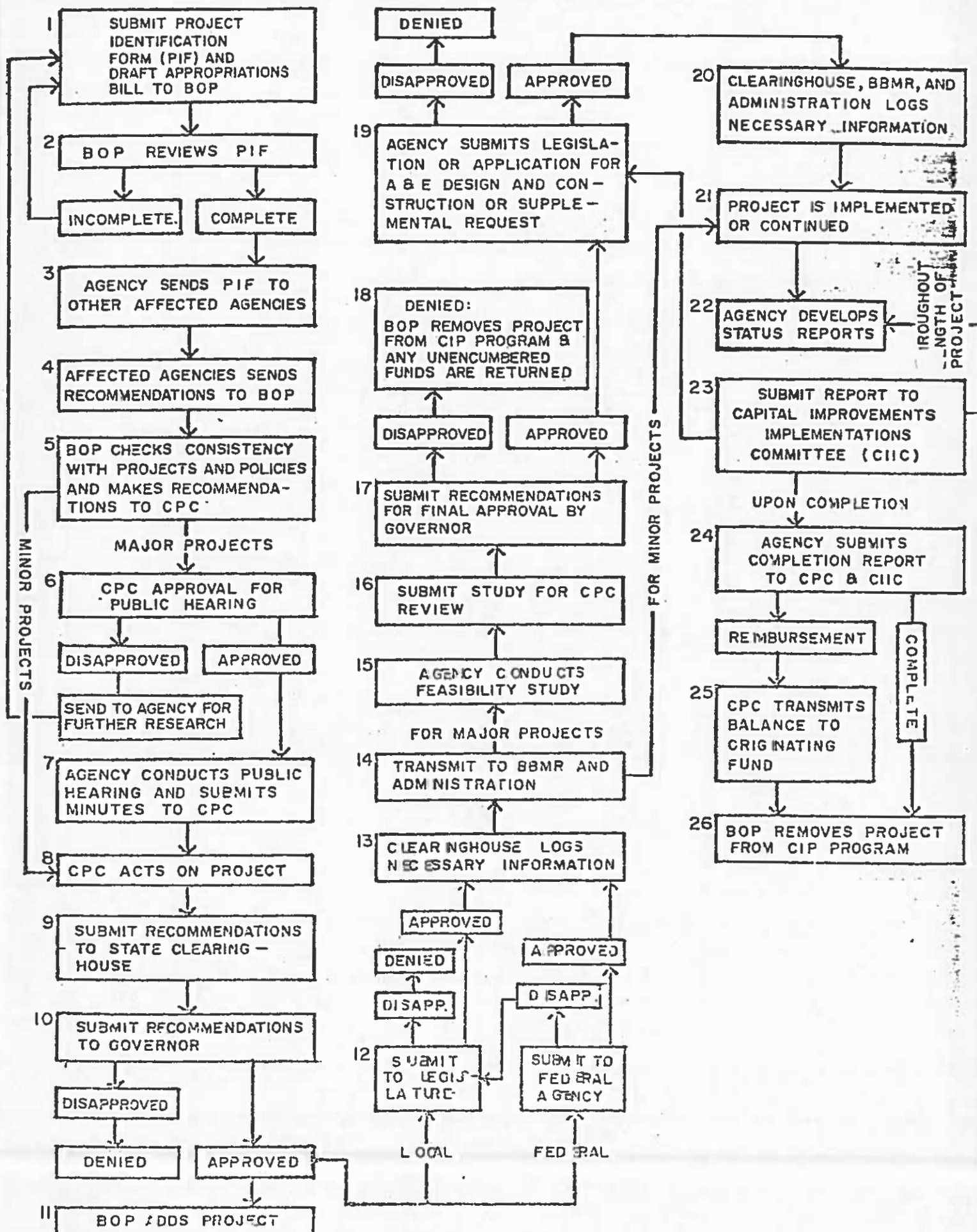
- Steps 22-23. Upon implementation, monthly status reports are submitted to the Capital Improvements Implementation Committee (CIIC). At any time during these steps, if the agency or the CIIC discovers the need for supplemental funds to complete the project, the CIIC submits the necessary legislation or application to the funding source.
- Step 24. Upon project completion, the agency submits a completion report to the CIIC and CPC.
- Step 25. If unencumbered balances exist, the CPC returns funds to the originating fund.
- Step 26. Upon completion, the Bureau of Planning removes the project from the CIP Program.

In summary, we recommend that:

1. The Central Planning Council (CPC) be delegated the responsibility to review, evaluate, recommend, and prioritize, subject to further review by the State Clearinghouse and approval by the Governor, all capital improvement projects.
2. The Capital Improvements Policy Committee be abolished.
3. The CPC be designated as the Clearinghouse Committee for Capital Improvement Projects.
4. The membership of the Capital Improvements Implementation Committee be revised.
5. An Impact Assessment narrative, based upon the list of potential impacts provided in Appendix 3, be developed by each agency for each recommended project and submitted to the Bureau of Planning and CPC for review.
6. The Bureau of Planning, in compliance with Public Law 12-200 provide staff support to the CPC in initially reviewing proposed projects and in compiling approved projects into the Government of Guam's Five-Year Capital Improvement Program.
7. All autonomous agencies, regardless of their source of funding, be required to advise the CPC on all their capital improvement projects.
8. All major Capital Improvement Projects initially have a feasibility study which shall be conducted by the recommending agency and reviewed by CPC prior to submitting an appropriations requests for actual design and construction.
9. The procedures listed in the report be adopted and utilized for all recommended CIP projects.

The following flowchart is a detailed presentation of the procedures involved in the recommended process.

CENTRAL PLANNING COUNCIL (CPC) REVIEW PROCEDURES FOR CAPITAL IMPROVEMENT PROJECTS



APPENDIX 1 EVALUATION OF ALTERNATIVE REVIEW TECHNIQUES

The existing procedures do not address the manner in which proposed projects are reviewed and prioritized, over and above the financial aspect of evaluation.. Although numerous alternative methods can be utilized in reviewing projects, two of the most commonly used techniques will be evaluated in this section.

Inter-Agency Review

This technique involves the evaluation of proposed projects by numerous agencies that are affected by the project. No common format for the review of projects among agencies exists. Each agency reviews a project on the basis of its own areas of concern; e.g., the environment, economic development, recreation, transportation, etc., and comments upon the project's potential impacts upon these areas. Also, if the agency possesses its own list of projects, comments concerning their consistency or inconsistency will be made.

The major advantage to this type of review is that information on consistency with other existing or proposed projects from numerous agencies can be provided. Also, actual financial costs are not the only concerns investigated.

Impact Assessment

The second review technique is Impact Assessment in which each agency that recommends a project determines its potential impacts upon physical, social,

environmental, and economic concerns. Impact Assessment's major advantage is that it encourages the recommending agency to evaluate a project through different perspectives.

Although each technique possesses inherent advantages, the recommended approach must also fulfill specific criteria. A discussion of these criteria and assessment of each approach in the light of these criteria follows:

Criterion 1. The evaluation technique must ensure that the project is consistent with the Master Plan.

In meeting this criterion, the operation of the technique must result in projects that are in harmony with the goals, objectives, and policies identified in a master plan.

Criterion 2. The technique must be the least time consuming. Given that many projects are federally funded and must meet stringent application deadlines, the recommended technique must not consume too much time. Local budgetary time constraints as well as in view of the tremendous time allocated to daily agency operations dictate the importance of this criterion.

Criterion 3. The technique must provide as comprehensive an assessment as possible.

In view of the tremendous range of potential developmental impacts, the technique must allow for a complete assessment in order to provide sufficient information to decision makers.

Criterion 4. The analysis must provide as much objective data as possible.

Although subjectivity can probably not be eliminated from any comprehensive review process, quantifiable information must be supplied to decision makers to make the best possible decision.

Criterion 5. The technique must be flexible to allow for the range of possible capital improvement projects.

Capital Improvement Projects are of many different types. There are major projects or minor projects; those that are new or maintenance type projects; or infrastructure or public support projects. Therefore, any technique that is used must be capable of dealing with these various types of projects.

Criterion 6. The technique must be manageable.

The scope of the review must not be too extensive to include very minor categories of impact. Although this criterion does have a time dimension, it also has an administrative dimension in the sense that the technique should not require the services of too large a staff.

Criterion 7. The technique must be attractive to all appropriate government agencies and officials.

Given that many resources have been invested in the existing process, the technique must not place undue hardships on agencies evaluating projects. Also, any proposed technique may meet with opposition from agencies that do possess review responsibilities since some of these responsibilities may be transferred to other agencies. Lastly, since autonomous agencies are not required to coordinate with other government agencies, the technique must consider their interests and operations.

Criterion 8. The technique must assist decision makers in establishing priorities among capital improvement projects.

Because of the numerous projects that are recommended and that most of these projects compete for the same funds, determining the importance of each project in relation to identified objectives and in relation to each other is an essential undertaking. Consequently, any recommended evaluation technique must assist decision makers in establishing priorities.

Evaluation of Review Techniques

In selecting the appropriate evaluation technique, each alternative was analyzed in the light of each criteria in Matrix 1. Further, on the basis of the description in each cell of the matrix, a determination (high, medium, low) of the degree to which each alternative fulfills each criterion was made. With this matrix approach, the major disadvantage not addressed in this analysis is the relative importance of each criterion. However, it is assumed that the higher the degree of criteria/objectives achievement, the better the alternative is in evaluating projects and the greater its acceptability by agencies.

Matrix 1 identifies inherent deficiencies in each technique. In utilizing the Inter-Agency Review technique, three deficiencies are noted. Since the review is founded upon each individual agency's interests, it does not ensure that overall coordination is achieved. Also, given individual interests, comprehensiveness cannot be achieved unless many agencies are involved in the review. If numerous agencies are included, manageability decreases and the time allotted for review would tend to increase.

The Impact Assessment approach also has major deficiencies. Depending upon the nature and scope of the assessment, the amount of technical research involved in identifying and documenting potential impacts can be a time-consuming effort. Given that some potential impacts such as those categorized as "social," are not quantifiable, purely subjective assessments can occur.

**MATRIX 1: AN ANALYSIS OF ALTERNATIVE
EVALUATION TECHNIQUES**

CRITERIA	ALTERNATIVES	
	INTER-AGENCY REVIEW	IMPACT ASSESSMENT
Coordination	Project are reviewed on the basis of particular interests and on the characteristics of the project itself.	Projects are reviewed on the basis of a list of potential impacts that include social, economic, physical, and environmental concerns.
Time	Transmitting the project proposal to a number of agencies requires sufficient time for their review and comments. Experience has shown that this type of review can be time consuming.	Developing a narrative description of potential impacts can take a tremendous amount of time given the amount of technical research involved.
Comprehensiveness	Review is conducted on the basis of particular agency interests.	Review is conducted on the basis of a wide range of potential impacts.
Objectivity	Objective information concerning the project's impact on other projects can be provided. Information on other potential impacts will not be provided.	Objective information concerning the project's impact on other projects can be provided. Information on other potential impacts will be subjective in nature.
Flexibility	Many different types of projects can be assessed. Given minor projects, however, little if any, assessment would be made since the projects are assumed to have only minor impacts.	Many different types of projects can be assessed. Given minor projects, assessments are still made.

MATRIX 1: AN ANALYSIS OF ALTERNATIVE
EVALUATION TECHNIQUES
(continued)

CRITERIA	ALTERNATIVES	
	INTER-AGENCY REVIEW	IMPACT ASSESSMENT
Manageability	Administrative requirements would include preparing material for transmittal to other agencies and summarizing the comments received into a single assessment report.	Administrative requirements would include the preparation of the assessment by one agency.
Attractiveness	Transmittal of projects to many agencies is required. Many agencies are included in the review. Final approval rests with another group.	Transmittal of assessment to one review group is required. Other agencies may be included in the review. Final approval rests with one group.
Priorities	Information on the relative importance of each project is not provided.	Information on the relative importance of each project is indirectly provided in the discussion of potential impacts.

1, .

The best approach is to combine both techniques in a manner that stresses their advantages. We recommend that, in proposing capital improvement projects, each agency develop an Impact Assessment narrative which tentatively identifies the project's potential impacts upon areas of physical, social, and economic concern. In order to specifically document particular agency concerns, this narrative should then be transmitted to other agencies affected by the project. Through this combination of approaches, the Government of Guam will be better able to identify those projects which have the most beneficial impacts and make maximum use of available funds.

APPENDIX 2 EVALUATION OF ALTERNATIVE REVIEW COMMITTEES

In utilizing the combined approach in reviewing projects, each agency would develop a narrative discussing each capital improvement project recommended by that agency. However, a committee which oversees the implementation of this technique needs to be established. This committee would ensure that all necessary information is supplied by the agencies. As envisioned, it will serve as a liaison between the agencies proposing projects and the Governor and/or Legislature. Its functions will be to evaluate all capital improvement projects, make recommendations regarding the relative priority of these projects, and compile them into a government-wide capital improvement program.

As previously mentioned, various committees have been established to carry out these functions. Other groups with identical functions and responsibilities will be identified and evaluated in this section to determine the most appropriate review committee.

Task Force

The first committee is a task force composed of agency heads. Various existing committees fall within this group. The Capital Improvements Policy Committee, the Capital Improvements Implementation Committee, and the Central Planning Council as established by Public Law 12-200 are current examples. The primary advantages of the task force approach are its direct communications with elected government officials, its access to tremendous amounts of information and its ability to ensure proper implementation of public policies.

Single Agency

A second review group could be a single government agency that has comprehensive review capabilities. At present, different agencies possess this capability--The Bureau of Budget and Management Research, the Bureau of Planning, the Department of Public Works, and the Guam Environmental Protection Agency. The major advantage of this review group is the technical expertise at its members' command. The impacts of proposed capital improvement projects can be identified adequately by this group.

Conference Committee

To ensure Executive and Legislative coordination through the recommendation and ultimate appropriations of capital improvement projects, representatives of the Executive and Legislative Branches could comprise the third type of review committee. Legislators and Administration officials could be kept informed on proposed developments and, given their input into the review process, policies and priorities could be better coordinated resulting in the funding of projects recommended by this committee.

Citizens Committee

The fourth type of review committee could be composed of citizens such as the Territorial Planning Commission. Here it is assumed that citizens have greater knowledge concerning the more basic needs of Guam's residents and that their involvement within a Capital Improvement Review Committee would ensure that various needs are met. Citizen involvement also encourages greater public participation in governmental processes.

Criteria

In order to investigate each alternative review committee, various characteristics must be inherent in the group to ensure that coordination is achieved and projects prioritized. Each characteristic is assumed to be equally important since any neglect of one may adversely affect the operation of the group, the functionality of the technique as a coordinative mechanism or the final, recommended project. Each characteristic will be used as criteria in selecting the appropriate review committee.

Criterion 1: The committee must have a certain degree of public accountability.

As defined here, accountability includes participation of elected officials or their representatives, or any such combinations can be construed as fulfilling this criterion. Given the present emphasis on the lack of public participation in activities that affect citizens, this criterion is obviously important.

Criterion 2: The recommended organization must have a certain degree of credibility.

To ensure that recommended projects are feasible for implementation and that all dimensions of the project are considered, the committee must be composed of individuals who are aware of both the technical aspects of projects as well as their social, economic, environmental and political impacts.

Criterion 3: The composition of the Committee must be consistent with its functions.

As identified in the previous section, the functions of the Capital Improvements Review Committee will be to evaluate capital improvement projects, select and prioritize these projects, develop a Capital

Improvement Program and make recommendations to the Executive and Legislative Branches of the Government. The recommended committee must be fully capable of performing these functions.

Criterion 4: The committee must be acceptable to all relevant agencies, the Governor, and the Legislature.

Given that various agencies and committees currently possess review responsibilities, it is important that these interests be considered in any effort to modify the present review structure. Particular agency interests and final determinations by the Governor and Legislature must be respected.

Criterion 5: The recommended review committee must be easy to implement.

For the most part, ease of implementation entails the use of the existing review structures. Modifications, however, can be made depending upon their appropriateness in light of the other criteria. No new agency or department should be established to ensure coordination and complex procedures should not be recommended.

Evaluation

As displayed in the matrix, all of the alternatives possess some deficiencies. The single agency alternative is only indirectly accountable to the public and will probably meet with intense opposition from agencies and officials that recommend capital improvement projects. The Conference Committee alternative has no administrative precedence and the tendency has been to isolate executive committees from active legislative involvement. Many unforeseen problems can arise through implementing this alternative. A committee composed solely of citizens,

MATRIX 2: AN EVALUATION OF ALTERNATIVE CIP REVIEW COMMITTEES

COMMITTEES

CRITERIA	TASK FORCE	SINGLE AGENCY	CONFERENCE COMMITTEE	CITIZEN GROUP
Accountability	There is some degree of accountability because agency heads represent elected Administration officials.	Minimal degree of accountability is inherent here since the agency is made of primarily technical experts.	Accountability is achieved since the members represent elected officials.	No accountability.
Credibility	Since agency heads do oversee a particular agency, the review of projects can utilize this resource.	Technicians do have much knowledge concerning potential impacts of proposed projects.	Agency and legislative staff do possess a certain degree of credibility since they do much research in daily routines.	Depending upon which citizens are participants in the committee, technical expertise may be lacking.
Functionality	Review, setting priorities, and recommending projects are normally conducted by agency heads in their daily routine.	Review and recommendations exist within this group.	Review and recommendations exist within this group.	Citizens may be totally new to these types of functions.
Acceptability	Depending upon which agencies are represented, the task force may be acceptable to autonomous agencies or the Legislature.	Since only one agency has the review and recommendation authority this alternative may not be acceptable by many agencies and other groups.	A conference committee may not be acceptable to the Governor since this is an executive committee.	Probably highly acceptable by all concerned.
Ease	Since many Executive task forces have been established, there are no apparent difficulties with this alternative.	No difficulty in designating one particular agency to conduct and oversee the review process.	Few attempts at an executive-legislative committee have been seen. Possibly many difficulties will be encountered.	Little difficulty in establishing this group although appointments and confirmations are probably necessary.

lacks sufficient technical expertise to ensure that all dimensions of a project are investigated. No accountability is established and a lengthy educational process is required to educate citizens unfamiliar with governmental operations.

The task force alternative is apparently the most acceptable option in terms of specific agency concerns and overall government coordination. Some problems can be identified, especially in the areas of accountability and credibility. Task force members are only indirectly accountable to the general public since they are representatives of elected officials. For the most part, they are administrators and need the input from technical personnel to make the most appropriate technical decisions possible.

To strengthen the task force's ability to meet these criteria, various modifications can be proposed. Citizens can be included within the committee to enhance acceptability while not affecting other criteria. Elected officials can also participate, for example, as in the A-95 review process where the Lt. Governor is the chairman. To enhance credibility, a staff can act as advisors to the committee and initially screen out projects not in conformance with identified goals, objectives, and policies.

We recommend that the new Central Planning Council (CPC) review all capital improvement projects. Council membership is currently being revised to include representatives from the public and private sectors. The CPC is also required by Public Law 12-200 to review the Comprehensive Development Plan. Since this plan will provide the framework for Guam's

future growth and development and since capital improvement projects should implement the Comprehensive Development Plan, the CPC should review all capital improvement projects. The implementation of this recommendation will reduce the number of committees within the Government of Guam while effectively coordinate all Capital Improvement Projects. From continuous CPC review, the ability of the government in compiling and updating the Capital Improvements Program will be greatly increased.

Appendix 3

PROJECT IDENTIFICATION FORM		Project I.D. No.
SECTION I. GENERAL INFORMATION		
Part A. Basic Information		
1. Name of Agency/Organization Requesting This Request.	4. Statutory Basis (if government unit)	
2. Agency/Organization Address.	5. Type of Organization a. Village Council/Committee b. Professional Group c. Church Related Group d. Civic e. Other _____	
3. Name and Title of Authorized Representative.		
Part B. Supplemental Information: Federally Assisted Projects		
1. Federal Program Title.	6. Has Federal Funding Agency Been Notified? Yes () No ()	
2. Federal Agency	7. Does It Require An Environmental Impact Statement? Yes () No ()	
3. Federal Domestic Assistance Catalog No. or Public Law No. and Title.	8. Will It Conflict With Any Existing Local Law? Yes () No ()	
4. Agency Address.	9. Remarks:	
5. Type of Application. a. New Grant () b. Continuing Grant () c. Supplemental Grant ()		

SECTION II. PRELIMINA. ASSESSMENT

Part A. Description of Project

1. Name of Project.

2. Location of Project.

3. Description of Project.

SECTION II. PRELIMINARY ASSESSMENT

Part B. Project Objectives

1. Who are intended to benefit from this project?

2. What are the objectives of this project?

3. Was the project recommended by any particular plan or report?

Part D. Economic Considerations

1. Will this project create new sources of employment?
2. Will the operation of this project directly produce revenue?
3. Will this project encourage the expansion or establishment of industries and/or commercial enterprises?

Part E. Physical Considerations

1. Will this project create or increase air pollution?
2. Will this project create or increase water pollution?
3. Will this project affect areas of particular geological concern?
4. Will this project adversely affect local wildlife?

Part E. Physical Considerations

5. Will this project create or increase the demand for water services?
6. Will this project create or increase the demand for power services?
7. Will this project alter the traffic circulation pattern?

Part F. Costs and Financing of Project

1. What is the total estimated financial cost of this project?
2. How will it be financed?
3. What is the projected annual costs for maintenace, replacement and operation?
4. What is the source of funds for 3 above?
5. What is the projected useful life of this project?

SECTION II. PRELIMINARY ASSESSMENT

Part G, Social Considerations

1. Will this project require the acquisition of private lands and/or structures?
2. Will this project displace individuals or families?
3. Will this project cause or increase demand for community services?
4. Will this project destroy or have deleterious impacts on recreational areas and or areas of unique interest or beauty?

APPENDIX 4
Project Identification Form
Instructions

The Project Identification Form must be filled out and submitted to the Central Planning Council via the Bureau of Planning by each agency that recommends a project for implementation. The purposes of the PIF are:

1. To enable us to review this project more objectively through the consideration of its potential impacts on selected areas of concern;
2. To encourage you to evaluate proposed projects more fully;
3. To assist in identifying other affected agencies;
4. To facilitate in determining consistency with the Comprehensive Development Plan; and
5. To assist in establishing priorities among projects.

Important concerns are those aspects of our environment which we should be concerned about because of their critical ecological role in the maintenance and development of an orderly physical environment, their significant socio-economic function in meeting the needs and promoting the general welfare of the individual and the community, and their impact on the fiscal and economic situation on Guam.

It is important to understand whether the project will affect these areas of concern in order to maximize the anticipated benefits and/or identify potential undesirable impacts that may occur. You are not required to provide long and elaborate responses to each of the questions. However, your responses should be sufficient to enable us to do the following:

- a. To determine the nature of the impact (beneficial, detrimental or no impact).

- b. To determine the extent of the impact (temporary or permanent).
- c. To determine the magnitude or intensity of the impact (how beneficial or serious).

This section defines the requirements of each question within the PIF.

It should be noted that Section I. General Information is not discussed because the information required is self-explanatory.

Instructions For Section II, Part A

This part is designed to permit you (the agency/organization) to provide a brief description of the proposed project.

Item #1:

Enter the common name or title of the project.

Item #2:

Identify the precise location of the project, giving well-known landmarks to assist in identifying the exact location. Attach maps if necessary.

Item #3:

Briefly describe what is planned to be done in this project, giving the type and nature of proposed project activities and its ultimate carrying capacity.

Instructions For Part B

Item #1:

- a. Identify, numerically estimate and provide a brief socio-economic description of those who are intended to benefit from this project.
Intended beneficiaries are those persons who are planned to be served or will utilize the benefits of the project. For example, the intended beneficiaries of a street improvement project in the village of Talofoto will be the village residents. They are the intended beneficiaries because the project will improve the street system which is mainly used by them. However, it can be argued that people from other areas

will benefit because they can use the street system. For the purpose of identifying the intended beneficiaries, a distinction should be made between those who directly benefit from the project and others who will indirectly benefit in some form.

- b. Some projects are planned because their existence contributes to the "public good." For the purpose of identifying the intended beneficiaries of these types of projects simply write, "the People of Guam."

Item #2:

In developing and formulating the objectives the following criteria must be taken into consideration.

- a. Objectives should reflect what is desired to be accomplished and for whom, not ways to accomplish them.
- b. Objectives should be realistic and attainable.
- c. Objectives should have identifiable performance indicators. Progress toward the achievement of objectives should be measurable, thus enabling performance reporting and program evaluation.
- d. Objectives should be stated in their order of importance. To facilitate this, problematic situations or needs should initially be prioritized and their objectives should be appropriately ranked.

Item #3:

Identify the plan or report (if any) that initially recommended the project by giving the title, date and the agency or consultant who prepared it.

Instructions For Part C

Item #1:

The purpose of question No. 1 is to identify whether the project will necessitate the acquisition of private property by the government. If such

action is anticipated then you are required to provide the following information in narrative form:

- a. An estimate of how much private property will be needed and its total estimated "fair market value."
- b. Any special problems that the government may encounter in the acquisition process.

Item #2:

The purpose of question No. 2 is to determine whether the project will require the displacement of people from their locality or home. If such a course of action is anticipated then you are required to provide the following information in narrative form:

- a. Why individuals and families have to be relocated as a result of this project.
- b. An estimate of the number of people and the total number of households to be displaced.
- c. The government's role in offering some kind of assistance to those to be displaced and the estimated costs of assistance. If the government is not expected to assume any kind of responsibility give an explanation indicating your rationale.
- d. If project activities will only displace people temporarily, will the government assume any responsibility for ensuring or encouraging the return of displaced residents (usually, in the redevelopment of an area the return of displaced residents is frequently barred by higher costs which they cannot afford).

Item #3:

The purpose of question No. 3 is to encourage you to consider the availability or non-availability of community services, such as schools, police and fire protection, health care, garbage collection etc., in the light of projected

population increases in the area/region as a result of this project. If it can be anticipated that there will be a new or increased demand for certain types of services then you are required to provide the following information in narrative form:

- a. The operational capacity of community services available in the area/region.
- b. The projected cost of adequately meeting the new or increased demand for services, if any.

Item #4:

The purpose of question No. 4 is to determine if the activities of this project and/or the activities that will be supported by the construction of this project will destroy or have deleterious effects on recreational area(s) or areas of unique interest or beauty. If it is anticipated that the location of this project in such an area will produce adverse impacts that will either destroy or reduce the area's potentials, then you are required to provide the following information in narrative form:

- a. Identify the area to be affected and describe the nature and intensity of the impact.
- b. Whether this is the only recreational area in the region and what effects closing or reducing use will have on the region's residents.
- c. Whether this particular area is considered an important tourist destination and if the closing or reduced use will limit recreational opportunities for tourists.
- d. Whether the area is considered a major historic site (Guam Register of Historic Places) and/or an important island landmark (Two Lovers Point, etc.).

Instructions For Part D

Item #1:

The purpose of question No. 1 is to consider the potential impact of this project on local employment. If it is anticipated that employment opportunities will directly be created by this project, you are required to provide the following information in narrative form.

- a. The estimated number and generally, the types of jobs that will be created by this project during the construction and operational phases.
- b. Whether or not the local labor force can adequately meet the manpower requirements of the project; if not, will local labor need to be trained or will outside manpower be imported.
- c. What actions can the government implement to ensure the hiring of local labor.

Item #2:

The purpose of question No. 2 is to determine if this project will directly generate revenue. If this project is associated with the production of a service or services where the consuming public directly pays for the benefits of the service(s), then you are required to provide the following information in narrative form.

- a. An estimate of the yearly revenue generated.
- b. What fund and/or government entity will receive the revenue.
- c. For what purposes will the revenue be used.

Item #3:

The purpose of question No. 3 is to consider the direct impact of this project on economic activities within the area/region. If it is anticipated that this project will encourage existing economic activities to expand or new

economic activities to establish, you are required to provide the following information in narrative form.

- a. The type of economic activities that will expand or be established.
- b. Whether or not these economic activities are compatible with the land use plan for the area/region.

Instructions For Part E

Item #1:

The purpose of question No. 1 is to determine if the air quality in the area/region will be affected by this project. If it is anticipated that the project's activities or the activities that are planned in the area/region as a result of its construction will emit pollutants into the air, then you are required to provide the following information in narrative form.

- a. The existing level of pollution (if any).
- b. If the project activities, during construction and/or operation, will heighten the pollution level and for how long.
- c. The project's long range impact on air quality.

Item #2:

The purpose of question No. 2 is to determine if water quality (surface, ground, and coastal waters) will be affected by this project. If it is anticipated that the project's activities or the activities that are planned in the area as a result of its construction will emit pollutants into surface, coastal or ground waters, then you are required to provide the following information in narrative form.

- a. The existing level of pollution (if any).
- b. The existing uses of the affected surface, coastal and ground waters (recreational, mariculture, drinking, etc.).

- c. If the project's activities, during construction and/or operation, will pollute surrounding waters or increase the existing level of pollution and if it is temporary or re-occurring.
- d. The project's long range impact on water resources.

Item #3:

The purposes of question No. 3 are: to determine if this project will affect an area or areas of particular concern and to assess the direct impact of this project on such an area or to assess the direct impact of the area's unique characteristics on this project. Areas of particular concern are those sites where natural hazards play a paramount role in determining the suitability or capability of the land for particular uses. If it is anticipated that this project will directly affect such an area or areas, then you are required to provide the following information in narrative form.

- a. Whether or not the project location or the surrounding area is susceptible to the dangers of mudslide, landslide, runoff, soil subsidence, flooding, earthquake or other natural hazards.
- b. Whether or not the project activities or the activities that are planned in the area/region as a result of its construction will be adversely affected by the existence or such conditions.
- c. Whether or not the project activities or the activities that are planned in the area/region as a result of its construction will alleviate or increase the susceptibility of the area or areas to such natural hazards.

Item #4:

The purpose of question No. 4 is twofold: to determine if the construction of this project will destroy or have deleterious effects on vegetation and wildlife and to consider if any rare or endangered species will be affected.

If it is anticipated that the construction of this project will have such effects, then you are required to provide the following information in narrative form.

- a. A general inventory of the flora and fauna in the project location and the surrounding area.
- b. An identification of the flora and fauna that will be destroyed or harmed as a result of the construction activities.
- c. Whether or not the project location and/or the surrounding area is a natural habitat for rare or endangered species and whether the construction activities will totally destroy or significantly harm these species.

Item #5:

The purpose of question No. 5 is to consider the direct impact(s) of the project activities and/or the activities that are planned for the area/region as a result of its construction on the demand for water services. If it is anticipated that it will cause or increase the demand for water, then you are required to provide the following information in narrative form.

- a. Whether or not water services are available in the area/region, an estimate of the optimum capacity of existing services and the existing demand for such services.
- b. Whether or not the projected demand for water services can be adequately serviced by the existing facilities if not, whether new or additional water facilities must be provided.

Item #6:

The purpose of question No. 6 is to consider the direct impact(s) of the project activities and/or the activities that are planned for the area/region as a result of its construction on the demand for power services. If it is anticipated that the project will cause or increase demand for power, then you are required to provide the following information in narrative form.

- a. Whether or not power facilities are available in the area/region, an estimate of the optimum capacity of the existing facilities and the existing demand.
- b. Whether or not the projected demand for power can be adequately serviced by the existing facilities; if not, whether new or additional power transmission and distribution facilities need to be constructed.

Item #7:

The purpose of question #7 is to consider the direct impact(s) of the project activities and/or the activities that are planned for the area/region as a result of its construction on the circulation pattern. If it is anticipated that the circulation pattern will be affected by this project, then you are required to provide the following information in narrative form.

- a. Whether or not access through the area will be limited as a result of the construction activities and how long it will last.
- b. Projected traffic volume that will be generated by the project activities and/or the activities that are planned for the area/region as a result of its construction.
- c. Whether or not the projected increase in the volume of traffic can be adequately accommodated by the existing capacity of the routes serving the area/region. If not, indicate whether additional transportation facilities or upgrading existing facilities are needed.

Instructions for Part F

Item #1:

The purpose of question #1 is to determine the estimated costs of this project from the planning phase to the point of completion. You are required to provide the following information.

- a. Estimated cost of planning (tabular form)
 1. Feasibility Study

2. Architectural and Engineering
3. Project Administration
- b. Estimated cost of land
 1. Site is secured
 2. To be secured
- c. Estimated cost of construction
 1. Labor
 2. Non-Labor
- d. Estimated cost of miscellaneous equipment
 1. Equipment
 2. Furniture
- e. Other estimated costs not listed above
 1. _____
 2. _____
- f. Total estimated cost

Item #2

The purpose of question No. 2 is to identify the source of financing for this project. You are required to provide the following information.

- a. If the project will be federally funded:
 1. What specific inquiry has been made into whether or not the project has federal financing possibilities.
 2. What is the estimated percentage of the total cost of the project that will be provided by federal funds.
- b. If the project will be locally funded:
 1. Will it be financed through the General Fund.
 2. Will the legislature authorize the issuance of General Obligation Bonds to raise the funds needed.

3. Whether or not the government has a Special Fund to finance this project.
4. Discuss any other financing option.

Item #3:

The purpose of question No. 3 is to consider the projected costs for maintenance, replacement, and operation of this project. You are required to provide the following information.

- a. Estimated federal and/or local costs for maintenance, replacement, and operation during first five years of the project (tabular form).
 1. First Year
 2. Second Year
 3. Third Year
 4. Fourth Year
 5. Fifth Year
- b. Projected federal and/or local costs for maintenance, replacement, and operation during the second five years of the project (tabular form).
 1. Sixth Year
 2. Seventh Year
 3. Eighth Year
 4. Ninth Year
 5. Tenth Year

Item #4:

The purpose of question No. 4 is to determine how would the annual maintenance, replacement, and operating costs be funded. This is to identify the long-term financial investment that the local and/or Federal government would be committing themselves to.

Item #5:

The purpose of question No. 5 is to determine the useful life of this project. "Useful life" is the expected number of years of service that the project will provide for the purpose it was constructed to the point where the costs of maintenance, replacement, and operation makes it uneconomical for that purpose.

APPENDIX 5:
Use of the
Project Identification Form

The Project Identification Form (PIF) is partially designed to fulfill two (2) purposes:

1. To encourage those individuals, agencies or groups that recommend capital improvement projects to evaluate their project from numerous perspectives; and
2. To assist decision-makers in evaluating proposed projects for conformance with the Comprehensive Development Plan.

Given the nature of the questions posed in the PIF, the first purpose is fulfilled. However, the manner in which the PIF assists in evaluation must be elaborated.

Project Location

Most forms used in recommending projects require that the project location be identified. Apparently however, location is primarily used to provide decision makers with a general idea of the unique characteristics of the project area thereby identifying any special considerations that should be given to the project. For example, if the Umatac road is to be widened, it is common knowledge that the residences are located directly adjacent to the existing road, resulting in difficulties for acquiring the necessary right-of-way. Although the perceptions concerning the areas unique characteristics are important, location can impart other knowledge regarding project scheduling and consistency with the Comprehensive Development Plan.

In terms of project scheduling, if various capital improvement projects are slated for a particular geographic area, duplication of specific activities can be avoided by constructing these projects sequentially. As mentioned earlier, the major obstacle in coordinating the scheduling of projects is the numerous

agencies responsible for the various types of services provided. Reviewing a project's location in light of other recommended project locations provides a quick method of identifying related projects.

Location will also assist in reviewing projects for conformity with the Comprehensive Development Plan. Various plan policies may be geographically - specific such as "preserving the south." With these types of policies, project consistency can be identified.

Once projects are identified by their geographic locations, a summary sheet should be developed by the Central Planning Council (CPC) to identify heavily invested geographic areas or neglected areas. If problematic situations exist in neglected areas for which projects can be proposed and appropriately scheduled, these areas can be readily identified. In heavily invested areas, future evaluations of facility or service usage can be initiated to determine whether future investments in these areas are justifiable.

Project Objectives

Utilizing locational information alone however, is not the sole criterion required for scheduling projects. Project objectives can be used in a similar manner. Recommended projects with similar objectives should be listed under these objectives. For example, if a crime prevention program intends to reduce crime and a street light project implements the same objective, the latter project should be packaged within the former and should be scheduled with the other activities listed in the crime prevention program. Given that any one particular project fulfills numerous objectives and apparently that the more objectives one project fulfills the greater justification for its implementation, the difficulty of scheduling projects on the basis of similar objectives is increased. Consequently, it is essential that recommending agencies list project objectives on the basis of their relative importance since this will be a method for scheduling projects.

Major vs. Minor Projects

As recommended in the text of this report, all major projects are to be presented at public hearings and, upon approval by the Central Planning Council (CPC), the recommending agency must develop a feasibility study. The PIF also assists in identifying major projects on the basis of the project's potential impacts. If a project creates substantial inconveniences to the general public or to particularly affected families, or commits the Government of Guam to substantial future expenditures, the project should be considered of major importance. The specific questions in the PIF which will assist in identifying these projects are:

Will this Project:

1. Require the acquisition of private lands and/or structures?
2. Displace individuals or families?
3. Cause or increase the demand for community services?
4. Affect areas of unique interest or beauty?
5. Cause or increase air pollution?
6. Cause or increase water pollution?
7. Affect areas of particular concern?
8. Adversely affect local wildlife?
9. Cause or increase the demand for water services?
10. Cause or increase the demand for power services?

If, in an agency's preliminary assessment, the project results in any one of the above impacts, then the project requires a public hearing and a feasibility study. If not, then a project follows the other CPC review procedures identified in the flowchart.

Establishing Acceptable Standards

With respect to identifying major projects, standards of acceptability must be established. As far as utility systems are concerned, there are inherent constraints on the existing capacity of these systems to accomodate future increases in demand. Initially, information on the optimum capacity of the water, power, telephone and sewer systems etc. must be supplied by those agencies responsible for these services. On the other hand, there is increased difficulty in establishing standards in the socially-oriented areas such as in land acquisition, family displacement or unique areas of beauty or interest. How much land, how many families should be relocated and what constitutes areas of unique interest or beauty are questions for which standards can only be subjectively developed and applied only in particular situations.

In summary, the PIF will encourage recommending agencies to fully evaluate proposed projects. It will also assist decision-makers in acting upon projects. However, service agencies must provide these decision-makers with the background information concerning their operational capacity over and above the information required by the PIF. It must be emphasized that the PIF does not totally eliminate subjectivity within capital improvement decision-making. However, with the technical information initially provided by the agencies and the PIF information concerning each recommended project, a foundation for capital improvement decisions is established.