

**MEMORANDUM**

**To:** Board of Regents  
**From:** Board Office  
**Subject:** Revisions to the Board of Regents Policy Manual  
**Date:** October 20, 2004

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**Recommended Actions:**

Give final approval to the dollar threshold revisions to Chapter 9 – Capital Procedures of the Board of Regents Policy Manual:

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**Executive Summary:**

**Final Approval** At its June 2004 meeting, the Board instructed the Board Office to review the Board's capital procedures, in consultation with the institutions, and consider ways to streamline the capital project approval process while maintaining appropriate Board oversight. These revisions are detailed in **Attachment A**.

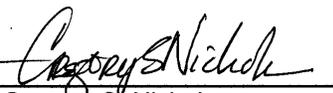
The proposed threshold revisions to the Board's capital procedures (Policy Manual Chapter 9), which are presented for final approval are unchanged from those presented in September.

The remainder of Chapter 9 is presented in Agenda Item 6 for the Board's first reading.

**Standard revision process takes two Board meetings** Changes are proposed to the Policy Manual as a result of editorial review and Regent comments. The traditional revision process for substantive revisions involves initial review and comment by the institution and the Board (the "first reading") and then providing final Board approval for publication at a subsequent Board meeting.

Revisions to the Policy Manual that have been approved by the Board to date are listed in **Attachment B**.

  
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Marcia R. Brunson

Approved:   
\_\_\_\_\_  
Gregory S. Nichols

**PROPOSED REVISION:****FINAL APPROVAL****IX. Capital Procedures**

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**9.03 Register of Capital Improvement Business Transactions**

- A. Each institutional ~~docket~~ submission shall carry a single agenda item for reporting of its Capital Improvement Business Transactions (~~typically designated as B-1~~), as defined in this section. (*previously 9.03C.*)
- B. Capital actions, ~~shall be reported for~~ which approval, ~~ratification, and execution~~ by of the Board is requested at its next meeting. ~~Reporting shall be by means of the monthly "Register of Capital Improvement Business Transactions" (hereafter referred to as the "Register"), with subheadings as follows: (A) Permission to Proceed with Project Planning; (B) Program Statements and Design Documents; (C) Project Descriptions and Budgets; (D) Consultant Agreements and Amendments; and (E) Construction Contracts and Change Orders to Construction Contracts; (F) Acceptance of Completed Construction Projects; and (G) Final Reports.~~ Processes related to the subheadings are included in separate sections of this chapter.
- C. The chief business officer of each institution shall certify the Register and send it to the Board Office with ~~monthly docket~~ agenda materials, where it shall be filed with the executive director, who shall in turn advise the Board as to its acceptability.

**9.04 Permission to Proceed with Project Planning**

Institutions shall seek the approval of the Board prior to initiating formal planning for any project estimated to cost ~~\$1,000,000~~ \$2,000,000 or more. Permission shall be requested in an exhibit in the Register of Capital Improvement Business Transactions. The exhibit shall include a description of the need or identification of the program to be accommodated by the project; a narrative description of the project, if known; and of alternatives, if any, to the proposed course of action. The estimated cost of the project expressed as a range and the probable source of funds shall be provided. (Cost estimates provided at this time are tentative and are subject to later revision. Permission may be sought at this time to seek architectural or engineering assistance or the services of a construction manager if that is the intention of the institution.) The institution must submit, at this time, information to respond to the Board's evaluation criteria for new building and renovation projects.

## 9.05 Program Statements and Design Documents

### A. Program Statement

The program statement describes the facility which is to be constructed in terms of purpose and scope. It may be prepared prior to hiring a design consultant or with the assistance of the consultant. Once prepared and approved, the program statement provides a basis for agreement between the project user, the institution, and the design consultant. Program statements shall be submitted for Board review for all new buildings, major additions, or remodeling projects with an estimated project cost of \$1,000,000 or more Board Office approval for new building projects with an estimated project cost of \$1,000,000 or more and for major addition and remodeling projects with an estimated project cost of \$2,000,000 or more. The program statements may be forwarded for Board action at the discretion of the Board Office. The Board Office shall be provided with an executive summary of the program statement for approval by the Board prior to the institution initiating initiation of the project design. The program statement may include a review of the design concepts and projected measures of efficiency, including net to gross square feet, construction cost per square foot and projected utility and maintenance costs.

### B. Design Documents

This phase of planning begins with approval of program statement and terminates with completion of bid documents. This phase includes schematic design, design development and construction documents.

Approval of design documents shall follow approval of the program statement. ~~However, on occasion, and with the consent of the Board Office, the program statement and schematic design may be presented concurrently for Board approval.~~

1. ~~Schematic design for projects for which a program statement is required shall be approved by the Board.~~ Schematic designs shall be submitted for Board approval for new building projects with an estimated project cost of \$1,000,000 or more and for major addition and remodeling projects with an estimated project cost of \$2,000,000 or more. The schematic designs shall reflect the program statement approved by the Board Office or the Board. The ~~docket~~ institutional exhibit shall include information on the net to gross square footage ratio (including a comparison to the building program, ~~if previously approved~~), estimated construction cost per square foot, exterior materials and relationship of exterior design and materials to the campus context (for new construction), restroom fixture counts, operating and maintenance costs (~~for new construction~~), project schedule, and any additional information requested by the Board or Board Office. At the time the schematic design is approved by the Board, the Board may require that further design development drawings be presented.

2. Institutional requests for Board approval of a “project description and budget” (including funding sources) are to be presented no later than the time at which the “schematic design” is presented.
3. Board approvals of both the “schematic design” and “project description and budget” (including funding sources) will constitute Regents final project approval and authorization to proceed with construction.
4. Material changes in program, design or cost subsequent to the Board’s final approval must be returned to the Board for further approval.
5. Final information to address the Board’s evaluation criteria must be submitted when approval of the schematic design is requested.

## 9.06 Project Descriptions and Budgets

### A. Definitions

The project description and budget shall include a brief history of the project, the justification or need for the project, the purpose to be served, a description of the project scope, the approximate net and/or gross square feet, a preliminary budget, and any additional information requested by the Board Office or the Board.

1. The preliminary budget shall contain lines for major expenditure items and identify source(s) of fund(s).
2. A revised project budget increases or decreases the total budget from the amount approved in the preliminary budget.
3. An amended project budget changes the line items and/or source(s) of fund(s) from those approved in the preliminary budget; the total project budget does not change.

### B. Projects with Budgets of Less than \$250,000

A Project Description and Budget shall be prepared for all capital projects with a project budget of \$100,000 or more. Institutional approval of the Project Description and Budget shall constitute approval of projects estimated to cost less than \$250,000.

Approved projects with budgets between \$100,000 and \$249,999 shall be listed on the capital register reported semi-annually to the Board Office. ~~A summary page with a brief (two sentence) description of each project shall be included as an exhibit to the capital register.~~

C. Projects with Budgets of \$250,000 or More to \$999,999

Projects with descriptions and budgets of \$250,000 or more between \$250,000 and \$999,999 shall be submitted to the Board Board Office for review and approval as an entry of the Register with exhibit.

D. Projects with Budgets of \$1,000,000 to \$1,999,999

Project descriptions and budgets for new buildings between \$1,000,000 and \$1,999,999 shall be submitted for Board review and approval as an entry on the Register with exhibit. All other project descriptions and budgets between \$1,000,000 and \$1,999,999 shall be submitted for Board Office review and approval.

Institutional requests for Board approval of a "project description and budget" (including funding sources) are to be presented no later than the time at which the "schematic design" is presented.

E. Projects with Budgets of \$2,000,000 or More

All project descriptions and budgets of \$2,000,000 or more shall be submitted for Board review and approval as an entry on the Register with exhibit.

Institutional requests for Board approval of a "project description and budget" (including funding sources) are to be presented no later than the time at which the "schematic design" is presented.

F. General

Commitments on projects shall not be made until approval is given by the Board Office or the Board.

If the project will employ alternative delivery methods other than the normal design-bid-build process, the project description and budget shall include a review of the advantages and disadvantages (risk) of this delivery method.

G. Alterations to the Residence of Institutional Head (previously 9.06E)

Institutions shall obtain the Board's approval prior to initiating any renovation, modification, or improvement to the official state-owned residence of an institutional head if the cost is ~~expected to exceed~~ estimated at \$10,000 or more. All renovations, modifications or improvements to the residence of an institutional head expected to cost less than \$10,000 shall be reported to the executive director before proceeding. (~~Board of Regents Minutes October 18, 1995, p. 324~~)

H. Revised / Amended Project Budgets

1. Revised Project Budgets between \$250,000 and \$999,999

~~A project with an increased budget which results in a revised budget totaling between \$250,000 and \$499,999 shall be approved by the institution if the budget increase is less than \$100,000, and approved by the Board Office if the budget increase is \$100,000 or more. Information on all revised budgets approved by the institution shall be provided in a semi-annual report to the Board Office.~~

~~A project with an increased budget totaling between \$500,000 and \$999,999 shall be approved by the Board Office.~~

2. Revised Project Budgets between \$1,000,000 and \$1,999,999

A project with an increased budget which results in a revised budget totaling between \$1,000,000 and \$1,999,999 shall be approved by the Board Office, but may be referred for Board action at the discretion of the Board Office.

3. Revised Project Budgets greater than \$2,000,000

A project with an increased budget which results in a revised budget totaling \$2,000,000 or more shall be approved by the Board.

4. Revised, Decreased Project Budgets and Amended Project Budgets

A revised, decreased budget, or an amended budget (as defined in 9.06 A.), need not be submitted to the Board Office or the Board for approval.

**9.07 Consultant Agreements and Amendments**

A. Definition

Consultant agreements include but are not limited to agreements for architectural, engineering, other design professional, and construction management services. The provisions of this section would not normally apply to surveying or testing services.

B. Agreements

1. The chief business officer may select and contract for architectural or engineering or other design professional services for projects with an estimated project budget of less than \$250,000.

## Attachment A

2. Whenever the estimated project budget for a construction project is between \$250,000 and ~~\$499,999~~ \$999,999, the consultant selection and agreement shall be approved by the institution. ~~approval of the agreement shall be delegated to the institution if the agreement fee is less than \$50,000. If the agreement fee is \$50,000 or more, the agreement shall be approved by the Board Office. Information on all consultant agreements approved by the institution for projects between \$250,000 and \$999,999 shall be provided in a semi-annual report to the Board Office.~~

~~Whenever the estimated project budget is between \$500,000 and \$999,999, the agreement shall be approved by the Board Office.~~

Whenever the estimated project budget for a construction project is between \$1,000,000 and \$1,999,999, the consultant selection and agreement shall be approved by the Board Office, but the selection and/or agreement may be referred for Board action at the discretion of the Board Office.

Whenever the estimated project budget for a construction project is \$2,000,000 or more, the consultant selection shall be approved by the Board. The agreement shall be approved by the Board Office, but may be referred for Board action at the discretion of the Board Office.

~~Whenever the estimated project budget for a construction project is \$1 million or more, the agreement shall be approved by the Board.~~

### C. Amendments

1. For projects with budgets less than \$250,000, ~~any amendments to an architectural, engineering or construction management contract which is less than \$25,000 and does not increase the project budget can~~ shall be approved by the institution's chief business officer.
2. For projects with budgets between \$250,000 and \$999,999, amendments shall be approved by the institution. a single amendment that exceeds \$25,000 or 20 percent of the original agreement, whichever is more, shall be approved by the Board Office. All other amendments shall be approved by the institution. Information on all amendments approved by the institution for projects between \$250,000 and \$999,999 shall be provided in a semi-annual report to the Board Office.

3. For projects with budgets of \$1,000,000 million or more, amendments shall be approved by the institution unless a single amendment that exceeds \$50,000 and/or the sum of the cumulative amendments exceeds 20 percent of the original agreement, whichever is less. If the amount of the amendment(s) exceeds this threshold, the amendment(s) shall be approved by the Board Office, but may be referred for Board action at the discretion of the Board Office. Information on all approved amendments for projects of \$1,000,000 or more shall be reported to the Board as needed. A single amendment that exceeds \$100,000 or 50 percent of the original agreement, whichever is less, shall be approved by the Board. All other amendments shall be approved by the institution.

## 9.08 Construction Contracts and Change Orders

### A. Construction Contracts

For projects with approved budgets of less than \$250,000, the construction contract shall be awarded by the institution.

For projects with approved budgets between \$250,000 and ~~\$499,999~~ \$999,999, the construction contract shall be awarded by the institution unless there are unusual circumstances, in which case the award would be referred to the Board Office for ~~Executive Director~~ action. (When the contract is awarded by the institution, a copy of the bid tab and Notice of Award shall be provided to the Board Office.)

For projects with approved budgets of \$1,000,000 or more, the construction contract shall be awarded by the Board Office, but may be referred for Board action at the discretion of the Board Office, or if necessary due to unusual circumstances.

If any objections are filed pursuant to Section 73A.3 of the Code, or if the chief business officer determines that any unusual circumstances exist which require special attention of the Board, the university shall ~~docket~~ present the proposed contract award for action by the Board at its next meeting. The capital register exhibit shall detail the objections (and the need for a final public hearing), or the unusual circumstances, for consideration by the Board. ~~The exhibit shall also include a revised project budget, if necessary for the contract award.~~

~~For projects with budgets of \$500,000 and above, all construction contracts shall be awarded by the Executive Director; the contract award shall be reported on the capital register for Board ratification. However, the Executive Director may refer construction contract awards to the Board for action.~~

B. Construction Contract Change Orders

For projects with budgets of less than \$250,000, change orders shall be approved by the institution.

For projects with budgets between \$250,000 and \$999,999, ~~a single change orders that totals \$50,000 or more shall be approved by the Board Office institution. All other change orders shall be approved by the institution.~~ Information on all add and deduct change orders approved by the institution for projects between \$250,000 and \$999,999 shall be provided in a semi-annual report to the Board Office.

For projects with budgets of \$1,000,000 million or more, change orders shall be approved by the institution, unless a single change order exceeds \$50,000 and/or the sum of the cumulative change orders exceeds 20 percent of the original construction contract amount. If the amount of the change order(s) exceeds this threshold, the change order(s) shall be approved by the Board Office, but may be referred for Board action at the discretion of the Board Office. Information on all approved change orders for projects of \$1,000,000 or more shall be reported to the Board as needed. ~~a single change order that totals between \$50,000 and \$99,999 shall be approved by the Board Office. A single change order that totals \$100,000 or more shall be approved by the Board. All other change orders shall be approved by the institution.~~

~~Change orders that decrease the project budget need not be submitted for approval.~~

All copies of contract change orders requiring Board approval shall be signed by the chief business officer and the Executive Director after Board approval.

**9.09 Architect, Engineer and Construction Management Services Selection Process**

A. Iowa Preference

Preference shall be given in accordance with Iowa Code to the selection of design professional firms either based in Iowa or with permanent offices in Iowa. If a firm which is neither Iowa-based nor with a permanent office in Iowa is selected, reasons shall be reported to the Board Office or to the Board as part of the university's Register of Capital Improvement Business Transactions.

B. Design Professional Selection Process

1. Selection of Design Professionals for Projects with Budgets ~~between \$250,000 and~~ of less than \$999,999

## Attachment A

- a. The process for selection of the design professional is the responsibility of the institution. Approval of the negotiated agreement by the institution or ~~the Board Office~~ (as detailed in this Chapter —~~Register of Capital Improvement Business Transactions~~) shall constitute selection of the firm.
2. Selection of Architects for Projects with Budgets of \$1,000,000 or More
    - a. Architectural selection for projects expected to cost \$1,000,000 or more must be selected by an institutional Architectural Selection Committee.
    - b. The institution shall advertise its need for design services for the project. The Iowa Chapter of American Institute of Architects shall be notified by the institution concerning the institution's intention to secure architectural services.
    - c. The institution shall notify the executive director of the Board when the institution will evaluate the proposals of each firm responding for the purpose of determining a short list of architectural firms to be interviewed and when the Architectural Selection Committee will meet to interview firms.
    - d. The committee shall receive and evaluate the proposals of each firm responding to the advertisement utilizing appropriate criteria, and select the firms it believes are the most qualified for the project for interviews with the Committee.
    - e. Based on the Architectural Selection Committee's interviews with the firms, the Committee shall select a firm and forward its selection, with justification, to the university president or the president's designee for authorization to negotiate an agreement with the firm.
    - f. The Architectural Selection Committee's summary report shall be forwarded to the Board Office prior to the institution's request for approval of the selected firm. ~~inclusion of the architectural selection on the Register of Capital Improvement Business Transactions for Board approval.~~
    - g. When Board approval is required, the ~~The~~ selected firm, and/or the negotiated agreement, shall be included on the Register of Capital Improvement Business Transactions for Board approval. ~~(This may be done separately or simultaneously.)~~
  3. Selection of Engineers and Other Prime Design Professionals for Projects with Budgets of \$1,000,000 or More
    - a. Engineer or other design professional selection for utility or other projects expected to cost \$1,000,000 or more must be selected by an institutional committee.

## Attachment A

- b. The committee shall be established for the purpose of selecting the firm for the specific project; the committee shall be comprised of appropriate institutional personnel depending upon the professional services to be provided.
- c. The institution shall advertise its need for design services for the project.
- d. The institution shall notify the executive director of the Board when the institution will evaluate the proposals of each firm responding for the purpose of determining a short list of firms to be interviewed and when the committee is to meet to interview firms.
- e. The committee shall receive and evaluate the proposals of each firm responding to the advertisement utilizing appropriate criteria, and select the firms it believes are the most qualified for the project for interviews with the committee.
- f. Based on the committee's interviews with the firms, the committee shall select a firm and forward its selection, with justification, to the university president or the president's designee for authorization to negotiate an agreement with the firm.
- g. The committee's summary report shall be forwarded to the Board Office prior to the institution's request for approval of the selected firm. ~~inclusion of the engineering or other design professional selection on the capital register for Board approval.~~
- h. When Board approval is required, the ~~The~~ selected firm, and/or the negotiated agreement, shall be included on the Register of Capital Improvement Business Transactions for Board approval. ~~(This may be done separately or simultaneously.)~~

### C. Use of Consultants for Feasibility Studies

1. Institutions are authorized to use consultants (typically design professionals) to conduct feasibility studies and strategic planning related to university facilities for the purpose of establishing the feasibility, concept, and/or scope for capital projects, provided the study does not include the preparation of construction documents.
  - a. For feasibility study-agreements with a total anticipated cost of less than \$50,000, including reimbursables, the institution shall determine the process for selection of the consultant. The chief business officer shall approve the consultant agreement.

## Attachment A

- b. For feasibility study agreements with a total anticipated cost between \$50,000 and \$149,999, including reimbursables, the institution shall determine the process for selection of the consultant. The Board Office shall approve the consultant agreement; the institution shall provide the Board Office with a description of the selection process and the rationale for selection of the consultant with its request for approval.
- c. For feasibility study agreements with a total anticipated cost of \$150,000 or more, including reimbursables, selection of the consultant shall be approved by the Board. The institution shall advertise its need for services and an institutional Architectural Selection Committee (or other appropriate committee depending upon the professional services to be provided) shall evaluate the firms' submittals and determine a short list of firms to be interviewed, and interview the short list firms. A summary of the selection process and the rationale for the recommended consultant shall be provided with the institutional request for Board approval of the consultant ~~agreement~~. Board approval of the selection of the consultant shall be sought as part of the Register of Capital Improvement Business Transactions; the Board Office shall approve the negotiated agreement.

### D. Construction Manager Services

1. When the institution proposes to use construction management services in lieu of a single stipulated sum prime construction contractor, the institution shall obtain approval from the Board of the proposed process, including approval of the responsibilities of the construction manager and the selection process to be used.
2. The provision of other professional, specific services by construction managers is subject to the policies governing architects, engineering and other design professionals as detailed in this chapter of the Policy Manual.

### E. Consultant Agreements and Amendments

1. Authority for approval of consultant agreements is detailed in this Chapter. (~~Register of Capital Improvement Business Transactions~~).
2. Authority for approval of amendments to consultant agreements is detailed in this Chapter. (~~Register of Capital Improvement Business Transactions~~)

### F. Consultant Fees

1. Payments to the architect, engineer, other design professional or construction manager for services shall be based on a fee negotiated with the institution and approved by the institution, Board Office, or Board in accordance with this Manual. ~~Guide (Register of Capital Improvement Business Transactions)~~.
2. The basis for payment shall be established by the institution.

3. ~~The Board Office will review architect, engineer, other design professional, and construction management contracts and, when appropriate, report to the Board.~~

G. Disputes with Consultants

Disputes between the consultants and the university will be handled in accordance with procedures outlined in the Board of Regents consultant's agreement.

**POLICY AFTER REVISION:**

**FINAL APPROVAL**

**9.03 Register of Capital Improvement Business Transactions**

- A. Each institutional submission shall carry a single agenda item for its Capital Improvement Business Transactions, as defined in this section. (*previously 9.03C.*)
- B. Capital actions, for which approval of the Board is requested at its next meeting, shall be by means of the "Register of Capital Improvement Business Transactions" (hereafter referred to as the "Register"), with subheadings as follows: (A) Permission to Proceed with Project Planning; (B) Program Statements and Design Documents; (C) Project Descriptions and Budgets; (D) Consultant Agreements and Amendments; and (E) Construction Contracts and Change Orders to Construction Contracts. Processes related to the subheadings are included in separate sections of this chapter.
- C. The chief business officer of each institution shall certify the Register and send it to the Board Office with agenda materials, where it shall be filed with the executive director, who shall in turn advise the Board as to its acceptability.

**9.04 Permission to Proceed with Project Planning**

Institutions shall seek the approval of the Board prior to initiating formal planning for any project estimated to cost \$2,000,000 or more. Permission shall be requested in an exhibit in the Register of Capital Improvement Business Transactions. The exhibit shall include a description of the need or identification of the program to be accommodated by the project; a narrative description of the project, if known; and of alternatives, if any, to the proposed course of action. The estimated cost of the project expressed as a range and the probable source of funds shall be provided. (Cost estimates provided at this time are tentative and are subject to later revision. Permission may be sought at this time to seek architectural or engineering assistance or the services of a construction manager if that is the intention of the institution.) The institution must submit, at this time, information to respond to the Board's evaluation criteria for new building and renovation projects.

**9.05 Program Statements and Design Documents**

A. Program Statement

The program statement describes the facility which is to be constructed in terms of purpose and scope. It may be prepared prior to hiring a design consultant or with the assistance of the consultant. Once prepared and approved, the program statement provides a basis for agreement between the project user, the institution, and the design consultant. Program statements shall be submitted for Board Office approval for new building projects with an estimated project cost of \$1,000,000 or more and for major addition and remodeling projects with an estimated project cost of \$2,000,000 or more. The program statements may be forwarded for Board action at the discretion of the Board Office. The Board Office shall be provided with the program statement prior to the institution initiating the project design. The program statement may include a review of the design concepts and projected measures of efficiency, including net to gross square feet, construction cost per square foot and projected utility and maintenance costs.

B. Design Documents

This phase of planning begins with approval of program statement and terminates with completion of bid documents. This phase includes schematic design, design development and construction documents.

Approval of design documents shall follow approval of the program statement.

1. Schematic designs shall be submitted for Board approval for new building projects with an estimated project cost of \$1,000,000 or more and for major addition and remodeling projects with an estimated project cost of \$2,000,000 or more. The schematic designs shall reflect the program statement approved by the Board Office or the Board. The institutional exhibit shall include information on the net to gross square footage ratio (including a comparison to the building program, estimated construction cost per square foot, exterior materials and relationship of exterior design and materials to the campus context (for new construction), restroom fixture counts, operating and maintenance costs, project schedule, and any additional information requested by the Board or Board Office. At the time the schematic design is approved by the Board, the Board may require that further design development drawings be presented.
2. Institutional requests for Board approval of a "project description and budget" (including funding sources) are to be presented no later than the time at which the "schematic design" is presented.

3. Board approvals of both the “schematic design” and “project description and budget” (including funding sources) will constitute Regents final project approval and authorization to proceed with construction.
4. Material changes in program, design or cost subsequent to the Board’s final approval must be returned to the Board for further approval.
5. Final information to address the Board’s evaluation criteria must be submitted when approval of the schematic design is requested.

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A Project Description and Budget shall be prepared for all capital projects with a project budget of \$100,000 or more. Institutional approval of the Project Description and Budget shall constitute approval of projects estimated to cost less than \$250,000.

Approved projects with budgets between \$100,000 and \$249,999 shall be reported semi-annually to the Board Office.

**C. Projects with Budgets of \$250,000 to \$999,999**

Project descriptions and budgets between \$250,000 and \$999,999 shall be submitted to the Board Office for review and approval.

D. Projects with Budgets of \$1,000,000 to \$1,999,999

Project descriptions and budgets for new buildings between \$1,000,000 and \$1,999,999 shall be submitted for Board review and approval as an entry on the Register with exhibit. All other project descriptions and budgets between \$1,000,000 and \$1,999,999 shall be submitted for Board Office review and approval.

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If the project will employ alternative delivery methods other than the normal design-bid-build process, the project description and budget shall include a review of the advantages and disadvantages (risk) of this delivery method.

G. Alterations to the Residence of Institutional Head (*previously 9.06E*)

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H. Revised / Amended Project Budgets

1. Revised Project Budgets between \$250,000 and \$999,999

A project with an increased budget which results in a revised budget totaling between \$250,000 and \$999,999 shall be approved by the institution. Information on all revised budgets approved by the institution shall be provided in a semi-annual report to the Board Office.

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A project with an increased budget which results in a revised budget totaling between \$1,000,000 and \$1,999,999 shall be approved by the Board Office, but may be referred for Board action at the discretion of the Board Office.

3. Revised Project Budgets greater than \$2,000,000

A project with an increased budget which results in a revised budget totaling \$2,000,000 or more shall be approved by the Board.

4. Revised, Decreased Project Budgets and Amended Project Budgets

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**9.07 Consultant Agreements and Amendments**

A. Definition

Consultant agreements include but are not limited to agreements for architectural, engineering, other design professional, and construction management services. The provisions of this section would not normally apply to surveying or testing services.

B. Agreements

1. The chief business officer may select and contract for architectural or engineering or other design professional services for projects with an estimated project budget of less than \$250,000.
2. Whenever the estimated project budget for a construction project is between \$250,000 and \$999,999, the consultant selection and agreement shall be approved by the institution. Information on all consultant agreements approved by the institution for projects between \$250,000 and \$999,999 shall be provided in a semi-annual report to the Board Office.

Whenever the estimated project budget for a construction project is between \$1,000,000 and \$1,999,999, the consultant selection and agreement shall be approved by the Board Office, but the selection and/or agreement may be referred for Board action at the discretion of the Board Office.

Whenever the estimated project budget for a construction project is \$2,000,000 or more, the consultant selection shall be approved by the Board. The agreement shall be approved by the Board Office, but may be referred for Board action at the discretion of the Board Office.

**C. Amendments**

1. For projects with budgets less than \$250,000, amendments to an architectural, engineering or construction management contract shall be approved by the institution's chief business officer.
2. For projects with budgets between \$250,000 and \$999,999, amendments shall be approved by the institution. Information on all amendments approved by the institution for projects between \$250,000 and \$999,999 shall be provided in a semi-annual report to the Board Office.
3. For projects with budgets of \$1,000,000 or more, amendments shall be approved by the institution unless a single amendment exceeds \$50,000 and/or the sum of the cumulative amendments exceeds 20 percent of the original agreement. If the amount of the amendment(s) exceeds this threshold, the amendment(s) shall be approved by the Board Office, but may be referred for Board action at the discretion of the Board Office. Information on all approved amendments for projects of \$1,000,000 or more shall be reported to the Board as needed.

**9.08 Construction Contracts and Change Orders**

**A. Construction Contracts**

For projects with approved budgets of less than \$250,000, the construction contract shall be awarded by the institution.

For projects with approved budgets between \$250,000 and \$999,999, the construction contract shall be awarded by the institution unless there are unusual circumstances, in which case the award would be referred to the Board Office for action. (When the contract is awarded by the institution, a copy of the bid tab and Notice of Award shall be provided to the Board Office.)

For projects with approved budgets of \$1,000,000 or more, the construction contract shall be awarded by the Board Office, but may be referred for Board action at the discretion of the Board Office, or if necessary due to unusual circumstances.

If any objections are filed pursuant to Section 73A.3 of the Code, or if the chief business officer determines that any unusual circumstances exist which require special attention of the Board, the university shall present the proposed contract award for action by the Board at its next meeting. The capital register exhibit shall detail the objections (and the need for a final public hearing), or the unusual circumstances, for consideration by the Board.

**B. Construction Contract Change Orders**

For projects with budgets of less than \$250,000, change orders shall be approved by the institution.

For projects with budgets between \$250,000 and \$999,999, change orders shall be approved by the institution. Information on all add and deduct change orders approved by the institution for projects between \$250,000 and \$999,999 shall be provided in a semi-annual report to the Board Office.

For projects with budgets of \$1,000,000 or more, change orders shall be approved by the institution, unless a single change order exceeds \$50,000 and/or the sum of the cumulative change orders exceeds 20 percent of the original construction contract amount. If the amount of the change order(s) exceeds this threshold, the change order(s) shall be approved by the Board Office, but may be referred for Board action at the discretion of the Board Office. Information on all approved change orders for projects of \$1,000,000 or more shall be reported to the Board as needed.

All copies of contract change orders requiring Board approval shall be signed by the chief business officer and the Executive Director after Board approval.

**9.09 Architect, Engineer and Construction Management Services Selection Process**

**A. Iowa Preference**

Preference shall be given in accordance with Iowa Code to the selection of design professional firms either based in Iowa or with permanent offices in Iowa. If a firm which is neither Iowa-based nor with a permanent office in Iowa is selected, reasons shall be reported to the Board Office or to the Board as part of the university's Register of Capital Improvement Business Transactions.

**B. Design Professional Selection Process**

**1. Selection of Design Professionals for Projects with Budgets of Less than \$999,999**

- a. The process for selection of the design professional is the responsibility of the institution. Approval of the negotiated agreement by the institution (as detailed in this Chapter) shall constitute selection of the firm.

**2. Selection of Architects for Projects with Budgets of \$1,000,000 or More**

- a. Architectural selection for projects expected to cost \$1,000,000 or more must be selected by an institutional Architectural Selection Committee.

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- b. The institution shall advertise its need for design services for the project. The Iowa Chapter of American Institute of Architects shall be notified by the institution concerning the institution's intention to secure architectural services.
  - c. The institution shall notify the executive director of the Board when the institution will evaluate the proposals of each firm responding for the purpose of determining a short list of architectural firms to be interviewed and when the Architectural Selection Committee will meet to interview firms.
  - d. The committee shall receive and evaluate the proposals of each firm responding to the advertisement utilizing appropriate criteria, and select the firms it believes are the most qualified for the project for interviews with the Committee.
  - e. Based on the Architectural Selection Committee's interviews with the firms, the Committee shall select a firm and forward its selection, with justification, to the university president or the president's designee for authorization to negotiate an agreement with the firm.
  - f. The Architectural Selection Committee's summary report shall be forwarded to the Board Office prior to the institution's request for approval of the selected firm.
  - g. When Board approval is required, the selected firm, and/or the negotiated agreement, shall be included on the Register of Capital Improvement Business Transactions for Board approval.
3. Selection of Engineers and Other Prime Design Professionals for Projects with Budgets of \$1,000,000 or More
- a. Engineer or other design professional selection for utility or other projects expected to cost \$1,000,000 or more must be selected by an institutional committee.
  - b. The committee shall be established for the purpose of selecting the firm for the specific project; the committee shall be comprised of appropriate institutional personnel depending upon the professional services to be provided.
  - c. The institution shall advertise its need for design services for the project.
  - d. The institution shall notify the executive director of the Board when the institution will evaluate the proposals of each firm responding for the purpose of determining a short list of firms to be interviewed and when the committee is to meet to interview firms.

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- e. The committee shall receive and evaluate the proposals of each firm responding to the advertisement utilizing appropriate criteria, and select the firms it believes are the most qualified for the project for interviews with the committee.
- f. Based on the committee's interviews with the firms, the committee shall select a firm and forward its selection, with justification, to the university president or the president's designee for authorization to negotiate an agreement with the firm.
- g. The committee's summary report shall be forwarded to the Board Office prior to the institution's request for approval of the selected firm.
- h. When Board approval is required, the selected firm, and/or the negotiated agreement, shall be included on the Register of Capital Improvement Business Transactions for Board approval.

### C. Use of Consultants for Feasibility Studies

- 1. Institutions are authorized to use consultants (typically design professionals) to conduct feasibility studies and strategic planning related to university facilities for the purpose of establishing the feasibility, concept, and/or scope for capital projects, provided the study does not include the preparation of construction documents.
  - a. For feasibility study-agreements with a total anticipated cost of less than \$50,000, including reimbursables, the institution shall determine the process for selection of the consultant. The chief business officer shall approve the consultant agreement.
  - b. For feasibility study agreements with a total anticipated cost between \$50,000 and \$149,999, including reimbursables, the institution shall determine the process for selection of the consultant. The Board Office shall approve the consultant agreement; the institution shall provide the Board Office with a description of the selection process and the rationale for selection of the consultant with its request for approval.
  - c. For feasibility study agreements with a total anticipated cost of \$150,000 or more, including reimbursables, selection of the consultant shall be approved by the Board. The institution shall advertise its need for services and an institutional Architectural Selection Committee (or other appropriate committee depending upon the professional services to be provided) shall evaluate the firms' submittals and determine a short list of firms to be interviewed, and interview the short list firms. A summary of the selection process and the rationale for the recommended consultant shall be provided with the institutional request for Board approval of the consultant. Board approval of the selection of the consultant shall be sought as part of the Register of Capital Improvement Business Transactions; the Board Office shall approve the negotiated agreement.

D. Construction Manager Services

1. When the institution proposes to use construction management services in lieu of a single stipulated sum prime construction contractor, the institution shall obtain approval from the Board of the proposed process, including approval of the responsibilities of the construction manager and the selection process to be used.
2. The provision of other professional, specific services by construction managers is subject to the policies governing architects, engineering and other design professionals as detailed in this chapter of the Policy Manual.

E. Consultant Agreements and Amendments

1. Authority for approval of consultant agreements is detailed in this Chapter.
2. Authority for approval of amendments to consultant agreements is detailed in this Chapter.

F. Consultant Fees

1. Payments to the architect, engineer, other design professional or construction manager for services shall be based on a fee negotiated with the institution and approved by the institution, Board Office, or Board in accordance with this Manual.
2. The basis for payment shall be established by the institution.

G. Disputes with Consultants

Disputes between the consultants and the university will be handled in accordance with procedures outlined in the Board of Regents consultant's agreement.

**Board approved revisions of sections of the Policy Manual**

- Chapter V. Equal Opportunity, in January 2002.
- Chapter II. Meetings and Chapter IV: Personnel, in March 2002.
- Chapter IV. Personnel -- §4.04: Appointment of Presidents, Superintendents, and Executive Director and §4.11: Employment and Supervision of Immediate Family Members, in April 2002.
- Chapter III. Board Office, in April 2002.
- Chapter VI. Academic Policies and Procedures (with the exception of §§6.03 and 6.04), in April 2002.
- Chapter I. Board of Regents, in May 2002.
- Chapter VI. Academic Policies and Procedures, §§6.03 and 6.04, in May 2002.
- Chapter VIII. Charges and Fees, in May 2002.
- Chapter IV. Personnel -- §4.37: Regent Employees Representing the Board of Regents and the Regent Enterprise, and §4.38: Regent Employees Serving on State Committees as Regent Employees, in June 2002.
- Chapter I. Board of Regents -- §1.07(A)(2)(b) (amended to include a community college president as a representative on the Committee on Educational Coordination), in June 2002.
- Chapter VII. Business Procedures -- §7.04: Purchasing, in July 2002.
- Chapter IV. Personnel -- §4.39: Conflict of Interest of Public Officers and Employees – Gifts, §4.40: Conflict of Interest – Duty of Loyalty, and §4.41: Inclement Weather, in January 2003.
- Chapter VII. Business Procedures -- §7.01: Authority, §7.02: General Practices, §7.04: Financing, §7.06: Risk Management, §7.07: Compliance and Reporting, and §7.08: Audits, in January 2003.
- Chapter IX. Property and Facilities -- §9.03: Register of Capital Improvement Business Transactions, §9.04: Permission to Proceed with Project Planning, §9.05: Program Statement, §9.06: Project Descriptions and Budgets, §9.07: Consultant Agreements and Amendments, §9.08: Construction Contracts and Change Orders, §9.09: Acceptance of Completed Construction Contracts, and §9.10: Final Reports, in January 2003.
- Chapter I. Board of Regents -- § 1.03: Report of Special Schools Advisory Committees; §1.04, subsections C and E; and §1.06I: Regent Advisory Committees on Iowa School for the Deaf and Iowa Braille and Sight Saving School, in April 2003.
- Chapter IV. Personnel -- §4.42: Interinstitutional Staff Sharing, in April 2003.
- Chapter VI. Academic Policies and Procedures -- §6.05: Academic Review and Program Approval and subsection 6.05B(3), in April 2003.
- Chapter IX. Property and Facilities -- §9.07: Consultant Agreements and Amendments, in April 2003.
- Chapter I. Board of Regents -- §1.03: Governance, subsection E: Governance Reports – Banking Committee, in May 2003.
- Chapter I. Board of Regents -- §1.05: Board of Regents Committee, in May 2003.
- Chapter VII. Business Procedures -- §7.09: Printing, in July 2003.
- Chapter VII. Business Procedures -- §7.02: General Policies, A. Budgets, 6. Reallocation, in October 2003.

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- Chapter I. Board of Regents - §1.06E: Economic Development and Technology Transfer, in October 2003.
- Chapter III. Board Office -- §3.03: Responsibilities of the Executive Director and Board Office, emeritus status for Board Office staff, in November 2003.
- Chapter IV. Personnel -- §4.16: Holidays, in December 2003.
- Chapter IV. Personnel -- §4.31: Drug-Free Environment and Controlled Substances, Subsection C, in December 2003.
- Chapter VI. Academic Policies and Procedures -- §6.05: Academic Review and Program Approval, in December 2003.
- Chapter V. Equal Opportunity -- §5.06: Affirmative Action Committee, in December 2003.
- Chapter VII. Business Procedures -- §7.09: Printing, Subsection D-4, in December 2003.
- Chapter I. Board of Regents -- §1.09, Affiliated Organizations, in January 2004.
- Chapter VII Business Procedures -- §7.04B, Master lease drawdowns, in January, 2004.
- Chapter VII Business Procedures -- §7.04C, Assistance in reporting, in January, 2004.
- Chapter VII Business Procedures -- §7.04I, Purchasing report, in January, 2004.
- Chapter VIII Fees and Charges -- §8.06A, Residence system reporting, in January, 2004
- Chapter I Board of Regents -- §1.03E, Governance Reports, in February 2004
- Chapter I Board of Regents -- §1.02, Strategic Plan, in April, 2004
- Chapter I Board of Regents -- §1.01C, Orientation of Board Members, in May, 2004
- Chapter IV. Personnel -- §4.40: Conflict of Interest, in May, 2004.
- Chapter I Board of Regents -- §1.04, Board Officers, in May, 2004
- Chapter I Board of Regents -- §1.05, Board of Regents Committees, in May, 2004
- Chapter I Board of Regents -- §1.06, Interinstitutional Committees, in May, 2004
- Chapter I Board of Regents -- §1.07, Special Committees, in May, 2004
- Chapter VII Business Procedures – A number of non-substantive editorial corrections were implemented to ensure that the Policy Manual conformed to the revisions in the Board’s committee structure (e.g., “Banking Committee” references were removed or revised) in May, 2004
- Chapter I Board of Regents -- §1.05b, Board Committee responsibilities, in June, 2004
- Chapter I Board of Regents -- §1.05d, Standing Committees of the Board, in June, 2004
- Chapter VI. Academic Policies and Procedures -- §6.01: Admissions Requirements (application fees), in June, 2004.
- Chapter VI. Academic Policies and Procedures -- §6.20: Admission Requirements (Iowa Braille and Sight Saving School) Approval, in June, 2004.
- Chapter VII Business Procedures -- §7.05B.12, Definition of “movable equipment, in January, 2004.
- Chapter 1 Board of Regents -- §1.02 Strategic Plan, August 24, 2004.
- Chapter 3 Board Office -- §3.01 Board Office Statement of Mission, August 24, 2004.
- Chapter 3 Board Office -- §3.03 Responsibilities of the Executive Director and the Board Office, August 24, 2004.
- Chapter 4 Personnel – §4.03A Professional and Scientific Classification Systems, September 15, 2004.
- Chapter 4 Personnel – §4.35 Phased and Early Retirement Programs, September 15, 2004.
- Chapter 1 Board of Regents – §1.03 Governance, September 15, 2004.
- Chapter 8 Fees and Charges – September 15, 2004.
- Chapter 7 Business Procedures – §7.03 Investment Activity F(5) September 15, 2004.