

**MGT RECOMMENDATION II-2
PURCHASING, CAPITAL PROJECT AND PERSONNEL THRESHOLDS**

Recommended Action:

Receive the report on MGT Recommendation II – 2: A Board of Regents committee should review the current purchasing, contracting, and personnel appointment approval thresholds with the objective of delegating more decision-making authority to the institutions.

Executive Summary:

Since the Board received the organizational review, Phase I report, representatives from the Board Office and institutions have been reviewing and analyzing current threshold levels as detailed in the Regent Policy Manual.

A comprehensive listing of thresholds was established and reviewed by the Board Office and institutional personnel. The analysis focused on thresholds related to purchasing, capital projects and personnel appointments although there are other thresholds in the Policy Manual. More than one hundred thresholds were identified.

Some thresholds are set by Iowa Code and would require legislative action to change. These items were identified in the threshold table (Attachment) under the statutory provision column.

The review focused on areas where the Board could delegate more authority to the institutions and the Board Office while still maintaining accountability. This process has assisted in updating and recommending changes to the Regent Policy Manual.

Purchasing

The Board approved changes to the purchasing section of the Policy Manual at its July meeting. Key changes include:

- Increasing the competitive bid threshold from \$5,000 to \$10,000 for all Regent institutions;
- Increasing the limit required for the Special Schools to process purchases through ISU from \$2,500 to \$5,000; and
- Delegating more authority to the Regent institutions by increasing the threshold for equipment to a unit cost greater than \$250,000 or a total purchase cost of \$500,000 before approval by the Board Office is required.

The changes are summarized on Table 1.

Capital Projects It is recommended that the Board continue to approve project descriptions and budgets for all capital projects at the universities with an estimated cost exceeding \$250,000. However, further required approvals (architect / engineer agreements or amendments, contract awards, revised budgets and construction change orders) would be delegated to the institutions or the Board Office for projects with budgets of less than \$1 million.

If the Board approves the revised threshold levels, they will be incorporated into the revision of Chapter IX (Capital Procedures) of the Policy Manual.

Current and proposed threshold levels for major items are included on Table 2.

Personnel The responsibilities of the Board related to personnel are assigned in Iowa Code §262.02 (2). In approving the monthly personnel register, the Board ensures that it has fulfilled its statutory responsibility to make appointments and fix compensation, even for appointments it has delegated, by policy, to institutional heads. In administrative law, delegation requires both guidelines for exercise of the delegated authority and oversight of the delegated authority. Current Board procedures meet these requirements. Thus, no changes in thresholds are recommended, although procedures for reporting will be reviewed to see if they can be streamlined.

Background:

Board Authority The Board of Regents, State of Iowa (Board) is assigned certain powers and duties through the Code of Iowa, which creates the Board.

The Board is authorized to contract for goods, services and capital improvements and can delegate authority for such activities.

With regard to personnel, Iowa Code §262.0(2) states that the Board shall, “Elect a president of each of the institutions of higher learning; a superintendent of each of the other institutions; a treasurer and a secretarial officer for each institution annually; professors, instructors, officers, and employees; and fix their compensation...”

Review Process The Board Office completed the initial phase of the review of thresholds by creating a comprehensive list of thresholds from the Policy Manual. This list was shared with team participants for review of each item and to determine if the threshold was still valid or if more decision-making authority could be provided to the institutions or the Board Office.

Once participants reviewed the thresholds, meetings were held for further discussion and clarification and email correspondence occurred. Based upon the discussion and correspondence, the Board Office has made the recommendations as detailed in this memorandum.

The recommendations for changes to purchasing were incorporated into the Regent Policy Manual changes approved by the Board in July.

If the recommendations for thresholds related to capital projects are approved by the Organizational Review Priority Study Group and the Board, they will be incorporated into revisions to Chapter IX of the Policy Manual. It is anticipated that the revisions to this chapter will be completed by the end of this calendar year.

Analysis:

Purchasing

By Board approval of the Policy Manual changes at its July 2002 meeting, the institutions now have greater flexibility with certain thresholds. For example, by increasing the competitive bid threshold from \$5,000 to \$10,000, the institutions should see some cost savings and have greater flexibility to purchase from Targeted Small Businesses, when products are available.

The competitive bid threshold was increased from \$2,500 to \$10,000 for the Special Schools. However, the Special Schools will have to process purchases of \$5,000 and greater through ISU. This enables ISU to have the same processes for all competitively bid products and still provides the Special Schools with the purchasing expertise.

Capitals

The underlying concept for the recommendations related to capital projects is that the key items requiring Board approval should be dependent upon the size of the project. (Currently, there are additional requirements for projects exceeding \$1 million; otherwise Board required actions are the same for all projects from \$250,000 to \$1 million.)

- Board approval would still be required for all project descriptions and budgets exceeding \$250,000. However, further Board approvals would be dependent upon the size of the project.
- For projects with budgets between \$250,000 and \$500,000 approvals for architect / engineer (A/E) agreements (and amendments), contract awards, revised budgets, and construction change orders would be delegated to the institutions or the Board Office. (It is envisioned that most of these actions would be delegated to the institutions.)
- For projects with budgets greater than \$500,000 but less than \$1 million approvals for architect / engineer agreements (and amendments), contract awards, revised budgets, and construction change orders would be delegated to the Board Office.

- For projects with budgets greater than \$1 million Board requested approvals would be similar to those currently in place although the dollar limits for institutional or Board Office approval of architect / engineer amendments and change orders would be increased.

For all items recommended to be delegated to the institutions or the Board Office, unusual circumstances would prompt a request for Board action.

An annual capital report would be provided to the Board; this report would summarize the capital project actions taken by the institutions and the Board Office during the prior year.

Modifications would also be made to the specific thresholds which apply to the special schools; these will be delineated in revisions to the Policy Manual with a description of the responsibilities of the special schools and Iowa State University for the management of capital projects at the schools.

The proposed changes in capital project procedures should:

- Maintain institutional accountability by requiring Board approval for project descriptions and budgets over \$250,000.
- Speed up the capital project process by not requiring Board approval of A/E agreements for smaller projects and permitting the institutions to award construction contracts for the smaller projects.
- Minimize the number of capital project items (A/E agreements, amendments etc.) that require Board approval which would allow the Board to devote more attention to larger projects.
- Reduce the size of capital registers since more authority would be delegated to the institutions and the Board Office.
- Provide the necessary reporting that the Board desires.

Personnel

The authority of the Board related to personnel in Iowa Code §262.0(2) exists as an exception to the authority of the State's Department of Personnel over all executive branch employees. (See Iowa Code §19A.3(5)) This exception is not complete and unfettered oversight, as the Director of the State's Department of Personnel has authority over the rules of the Regent Merit System.

The Board exercises its statutory authority judiciously to ensure it is not entangled in claims of not exercising administrative oversight of all categories of its employees as the State does through the Department of Personnel.

The Board publicly appoints prospectively persons to positions it deems of significant administrative, policy-making responsibility and approves retrospectively institutional appointments to positions not at the policy-making level.

In approving the monthly personnel register, the Board ensures that it has fulfilled its statutory responsibility to make appointments and fix compensation, even for appointments it has delegated, by policy, to institutional heads.

In administrative law, delegation requires both guidelines for exercise of the delegated authority and oversight of the delegated authority. The Board meets these requirements.

Based upon the rationale detailed above, no changes in thresholds are recommended. Procedures for reporting will be reviewed to see if they can be streamlined.

Table 1

The following table summarizes the existing and proposed thresholds for a number of key purchasing items:

<u>Purchasing Thresholds</u>		
<u>Item</u>	<u>Current Threshold</u>	<u>New Threshold</u>
Competitive Bid Requirement	Purchases Exceeding \$5,000 – Universities	Purchases Exceeding \$10,000 – All Institutions
	Purchases Exceeding \$2,500 – Special Schools	Special Schools will process purchases greater than \$5,000 through ISU
Equipment Purchases Delegated to Institution	Purchases less than \$250,000	Purchases with a unit cost of less than \$250,000 or a total purchase of \$500,000
Equipment Purchases Requiring Board Office Approval	Purchases from \$250,000 to \$1,000,000	Purchases with a unit cost of \$250,000 or a total purchase of \$500,000 to \$1,000,000
Equipment Purchases Requiring Board Approval	Purchases exceeding \$1,000,000	Purchases exceeding \$1,000,000

Table 2

Capital Project Thresholds

The following table summarizes the existing and proposed thresholds for a number of key capital project items: (Referral may be made to the Board for its action should circumstances warrant.)

<u>Item</u>	<u>Current Threshold</u>	<u>Proposed Threshold</u>		
		<u>Projects with Budgets between \$250,000 and \$499,000</u>	<u>Projects with Budgets between \$500,000 and \$999,000</u>	<u>Projects with Budgets exceeding \$1 million</u>
Permission to Proceed with Project Planning	Board approval required to initiate formal planning for projects estimated to exceed \$1 million in cost			Board approval required to initiate formal planning for projects estimated to exceed \$1 million in cost
Program Statements and Design Documents	Board approval required for all new buildings, major additions or remodeling projects with estimated cost exceeding \$1 million			Board approval required for all new buildings, major additions or remodeling projects with estimated cost exceeding \$1 million
Project Description and Budget	Board approval required for all projects with budgets exceeding \$250,000	Board approval required	Board approval required	Board approval required
Revised Project Budgets	Board approval required for all projects with initial budgets exceeding \$250,000	Delegated to institution or Board Office	Revised budgets up to \$1 million to be approved by Board Office; revised budgets over \$1 million to be referred to the Board for its action	Board approval required

Table 2 - Capital Project Thresholds
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<u>Item</u>	<u>Current Threshold</u>	Projects with Budgets between <u>\$250,000 and \$499,000</u>	Proposed Threshold Projects with Budgets between <u>\$500,000 and \$999,000</u>	Projects with Budgets <u>exceeding \$1 million</u>
Architectural/Engineering Agreement	Board approval required for all agreements for all projects with budgets exceeding \$250,000	Delegated to institution if agreement fee is less than \$50,000; delegated to Board Office if agreement fee is greater than \$50,000	Delegated to Board Office	Board approval required
Architectural/Engineering Agreement Amendments	Board approval required when total cumulative amendments exceed \$50,000 or 20 percent of original agreement, whichever is less	Board Office approval required when amendment exceeds 20 percent of original agreement	Board Office approval required when amendment exceeds 20 percent of original agreement	Board Office approval required when amendment exceeds \$50,000 or 20 percent of original agreement, whichever is less Board approval required when amendment exceeds \$100,000 or 50 percent of original agreement, whichever is less

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<u>Item</u>	<u>Current Threshold</u>	Projects with Budgets between <u>\$250,000 and \$499,000</u>	Proposed Threshold Projects with Budgets between <u>\$500,000 and \$999,000</u>	Projects with Budgets <u>exceeding \$1 million</u>
Construction Contract Awards	Executive Director authorized to award construction contracts for all projects with budgets exceeding \$250,000	To be awarded by institution unless there are unusual circumstances in which case the award would be referred to the Board Office for Executive Director action (Copies of all bid tabs and construction contract awards to be provided to Board Office.)	Executive Director authorized to award construction contracts for all projects with budgets exceeding \$500,000	Executive Director authorized to award construction contracts for all projects with budgets exceeding \$1 million
Construction Change Orders	Board approval required when change order totals \$50,000 or more	Board Office approval required when change order totals \$50,000 or more	Board Office approval required when change order totals \$50,000 or more	Board Office approval required when change order totals \$50,000 or more Board approval required when change order totals \$100,000 or more

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REVIEW BOR APPROVAL THRESHOLDS						
Policy Manual Chapt/Section	Statutory Provision	or	Board Policy	Title	Brief Description	Current \$ Threshold
4.01	262.9[2]			Personnel (in general)	Board to employ professors, instructors, officers, and employees	All
4.05A				Secretaries and treasurers	Names of secretaries and treasurers to be submitted annually to Board for appointment	All
4.05C				Provosts, vice presidents, directors	Provosts, vice presidents and directors of major units to institutional head nominated by institutional head for appointment by Board	All
4.05D				Other Personnel	Administrative appointments not included above to be reported on institutional register of personnel changes. Appointment of Associate Vice-Presidents, Assistant Vice-Presidents, Deans and Associate Directors of major administrative units to be reported in separate section of register	All
4.06A				Register of Personnel Changes	List of all personnel changes excluding appointment of student employees, but including appointment of graduate and teaching assistants. Institutional executive to certify that personnel changes in accordance with state law and Board regulations	All
4.06D				Register of Personnel Changes	Promotion and tenure actions as separate part of Personnel Register	All
4.08A				Resignations	Resignations of personnel covered by Section 4.05 submitted to Board for acceptance	All
4.08B				Resignations	Resignations of personnel covered by Section 4.07 accepted by institutional executives and reported in Register	All
4.09A	262.9[13]			Leaves of Absence	Board to grant leave of absence; staff to return to institution for not less than two years or repay the state of Iowa	All
4.09B				Leaves of Absence	Leaves for personnel covered by Section 4.05 require approval of Board	All
4.09C				Leaves of Absence	Leaves for personnel covered by Section 4.07 granted by institutional executives and reported in Register of Personnel Changes	All
7.03			XX	Budget Transfers	Stipulations for approval of budget transfers and allocations	Exceeding \$100,000
7.07(B)(1)	262.14 [1]			Loans	Mortgage loans on farm land	Not to exceed 65% of cash value of land
7.07(B)(2)	262.14 [2]			Loans	If loan is for more than 1/4th of the value of the farm, loans shall be on the basis of stipulated annual principal reductions.	More than 1/4 of value
7.07(B)(6)	262.14 [6]			Loans	Loan rate	Not less than 3 1/2% per annum
7.10(A)(4)			XX	Real Property	Not more than 5% over the average of two appraisals or the high appraisal, whichever is lower	Not more than 5% over average

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REVIEW BOR APPROVAL THRESHOLDS						
Policy Manual Chapt/Section	Statutory Provision	or	Board Policy	Title	Brief Description	Current \$ Threshold
7.10B	262.9[14], 262.11			Lease of Property	Board authorization for lease of property either as lessor or lessee	Has been interpreted to mean all leases require Board approval by roll call vote
7.10(C)	7A.30		XX	Personal Property	Statute sets requirement for inventory of equipment; Board policy allows threshold between \$500 and \$2,000.	\$500 or more
7.11(A)			XX	Disposal, Transfer, and Sale of Buildings	Buildings estimated at \$1,000 or more - Disposal, transfer, or sale of buildings need Board action.	\$1,000 or more
7.11(B)			XX	Disposal, Transfer, and Sale of Buildings	Buildings estimated at \$1,000 or less - The chief business officer is authorized to dispose of.	\$1,000 or less
7.12(A)			XX	Casualty Loss Claims	Losses of \$5,000 or less - Absorbed by the Regent institutions (unless the aggregate of all such losses in any fiscal year exceeds \$15,000 for SUI and ISU, \$10,000 for UNI, or \$5,000 for ISD or IBSSS.)	\$5,000 or less
7.12(B)			XX	Casualty Loss Claims	Claims exceeding \$5,000 - Follow Board procedures (or annual aggregate of all losses of \$5,000 or less which exceed \$15,000 for SUI and ISU, \$10,000 for UNI, or \$5,000 for ISD or IBSSS).	\$5,000 or more
7.12(D)(6)	Executive Council Requirements			Casualty Loss Claims	Permanent repairs or acquisition of replacement tools or supplies in excess of \$500,000 per loss - Referred to the Legislature for appropriation, except when temporary measures could be expected to exceed the cost of permanent repairs or replacement.	\$500,000 or more
7.12(E)			XX	Casualty Loss Claims	Crop loss claims: \$5,000 or less (single loss) to be absorbed until the total exceeds \$15,000 per institution per fiscal year. Claims over \$15,000 to be submitted during remainder of fiscal year.	\$5,000 or less / \$15,000 or more
7.20(C)			XX	Surety Bonds	Fidelity bond and crime insurance per incident: loss of employee property up to \$10 million; loss of non-employee money and securities up to \$2 million.	Up to \$10 million / Up to \$2 million
7.24(A)			XX	Student Fees	New student fees over \$1 per semester and department fees over \$10 per semester - Board approval required.	Over \$1 / over \$10
7.29(E)	State Appeal Board			Risk Management	Regents auto liability up to \$250,000; State Appeal Board over \$250,000	Up to \$250,000 / Over \$250,000
7.31(A)(3)	262.9		XX	Selection of Employees and Agents Utilized in the Issuance of Bonds or Notes	Competitive selection process - estimated annual fees exceeding \$25,000 - Board action needed.	Exceeding \$25,000

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Policy Manual Chapt/Section	Statutory Provision	or	Board Policy	Title	Brief Description	Current \$ Threshold
7.31(A)(4)	262.9		XX	Selection of Employees and Agents Utilized in the Issuance of Bonds or Notes	Competitive selection process - estimated annual fees under \$25,000 - Executive Director may act upon with Board ratification at next meeting.	Under \$25,000
7.32(B)(1)			XX	Vendor Installment Agreements	Vendor installment purchase agreements of more than \$100,000 for universities and \$10,000 for special schools require Executive Director approval and subsequent reporting to Banking Committee.	More than \$100,000 / \$10,000
7.34(C)(6)(a)(3)				Investment Policy - Operating Portfolio	No more than 30% - of portfolio to be in prime bankers' acceptances maturing within 270 days . No more than 5% of portfolio to be invested in securities of a single issue.	No more than 30% investments in this paragraph / and 5% securities in single issue
7.34(C)(6)(a)(4)				Investment Policy - Operating Portfolio	No more than 30% of investment portfolio in commercial paper or other short-term corporate debt; no more than 5% of amounts to be invested in paper and debt rated in the second highest classification; no more than 5% of the portfolio shall be invested in the securities of a single user.	No more than 5% in second highest classification / and 30% investments in this paragraph / and 5% securities in single issue
7.34(C)(4)(a)				Investment Policy	Up to 20% - of total endowment portfolio may be invested in bonds rated A and BBB to enhance portfolio yield.	Up to 20%
7.34(C)(6)(c)(9)(a)				Investment Policy - General Restrictions	No more than 5% - of portfolio to be invested in securities issued by one company.	No more than 5% securities issued by 1 company
7.34(C)(6)(c)(9)(b)				Investment Policy - General Restrictions	No more than 10% - of any outstanding issue shall be held.	No more than 10% of outstanding issue
7.34(C)(6)(c)(9)(c)				Investment Policy - General Restrictions	Initial common stock offerings sold to the public within the prior 12 months.	No more than 5% IPO sold in prior 12 months
7.34(C)(6)(c)(9)(d)				Investment Policy - General Restrictions	Initial offering of common stock.	No more than 1% in any IPO
7.35			XX	Reimbursement of Travel Expenses for Employees of Regent Institutions	Individual meals exceeding \$34 - without documentation or substantiation will be reported as taxable travel.	Exceeding \$34
7.35(A)			XX	Mileage Reimbursement - Using Ones Own Car	\$0.31/mile when pool vehicle is not available; \$0.25/mile when pool vehicle is available; \$0.31/mile when round trip is less than 100 miles	\$0.25 or \$0.31 depending on circumstances

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Policy Manual Chapt/Section	Statutory Provision	or	Board Policy	Title	Brief Description	Current \$ Threshold
7.35(B)			XX	Meals Reimbursement	Instate and out of state maximum meal reasonable rates	\$26 / day in-state and \$40 / day out of state, with individual amounts per meal
7.35(D)			XX	Reimbursement of Foreign Travel	Up to 150% - of standard per diem may be reimbursable if approved by authorized university officials	Up to 150%
8.04(A)			XX	Competitive Conditions	Bids exceeding \$5,000 at universities and \$2,500 at special schools - established competitive bidding procedures required.	Exceeding \$5,000 and \$2,500
8.04(K)(1)			XX	Competitive Conditions	For single source equipment purchases of less than \$25,000 funded by academic revenue bond proceeds, normal purchasing procedures required without requirement of bid security.	Less than \$25,000
8.04(K)(2)			XX	Competitive Conditions	Single source equipment purchases exceeding \$25,000 and funded by academic revenue bond proceeds - Public opening of bids notice required; 5% bid security required; bid tabulations prepared and submitted to Board Office for distribution; and awards made at regular Board meetings.	Exceeding \$25,000
8.04(K)(4)			XX	Competitive Conditions	Equipment exceeding \$25,000 - Funded by academic revenue bond proceeds shall follow Section 9.10.	Exceeding \$25,000
8.11(B)(1)			XX	Moveable Equipment Purchases	Equipment valued at less than \$250,000 - Institutions may purchase.	Less than \$250,000
8.11(B)(2)			XX	Moveable Equipment Purchases	Equipment \$250,000 - \$1,000,000 - Board Office approval required; Board notification required to follow.	\$250,000 - \$1,000,000
8.11(B)(3)			XX	Moveable Equipment Purchases	Equipment more than \$1,000,000 - Board approval required.	More than \$1,000,000
8.11(C)			XX	Moveable Equipment Purchases	Emergency purchases exceeding \$1,000,000 - Executive Director may approve; Board notification required to follow.	Exceeding \$1,000,000
9.01(A)			XX	Capital Improvements	Definition - Capital improvement projects provide for construction, repair or improvement of building and grounds, costing more than \$25,000.	More than \$25,000
9.01(B)(3)(f)			XX	Capital Improvements	Projects under \$50,000 for universities can be carried out without following detailed capital procedures.	Under \$50,000

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Policy Manual Chapt/Section	Statutory Provision	or	Board Policy	Title	Brief Description	Current \$ Threshold
9.01(B)(3)(g)			XX	Capital Improvements	Projects between \$50,000 - \$250,000 can be carried out without following detailed capital procedures if previously reported on a semiannual report and subject to the chief business officer's approval.	\$50,000 - \$250,000
9.02(B)(2)			XX	Order and Procedures for the Planning and Design of Projects	Projects expected to be in excess of \$1 million to be shown separately in All-Funds Five-Year Bldg Program each July; lower cost projects can be aggregated by category; year one projects greater than \$250,000 should be listed separately.	\$1,000,000 or more
9.04			XX	Permission to Proceed with Project Planning	Board approval - prior to initiating formal planning for projects estimated at \$1,000,000 or more.	\$1,000,000 or more
9.05(A)(1)(a)			XX	Selection of Architects, Engineers, Construction Managers	Project budgets \$250,000 or less - Chief business officers can select and contract for architectural or engineering services.	\$250,000 or less
9.05(A)(1)(b)			XX	A/E Agreements for Special Schools	Requires approval of Executive Director or Board	all agreements
9.05(A)(1)(c)			XX	Selection of Architects, Engineers, Construction Managers	Project budgets \$250,000 or more - Board responsible for selection of architectural or engineering services.	\$250,000 or more
9.05(A)(1)(e)			XX	Selection of Architects, Engineers, Construction Managers	Projects under \$250,000 - Board must approve non-Iowa firms if fees exceed \$50,000 in one year.	Under \$250,000
9.05(A)(2)(a)			XX	Selection of Architects, Engineers, Construction Managers	Selection of Architects for Projects exceeding \$1,000,000 - Architectural Selection Committee must be used.	\$1,000,000 or more
				Selection of Architects, Engineers, Construction Managers	Need to add specific section dealing with selection of engineers for projects exceeding \$1,000,000	\$1,000,000 or more
9.05(A)(4)(a)			XX	Selection of Architects, Engineers, Construction Managers	Institutional authorization for feasibility studies	Not to exceed \$25,000 in fees
9.05(A)(4)(b)			XX	Selection of Architects, Engineers, Construction Managers	Fee agreements between \$25,000 and \$50,000 require Board Office approval; agreements exceeding \$50,000 to be entered on the Register	\$25,000 - \$50,000 (Board Office); greater than \$50,000 (Board)
9.05(A)(5)			XX	Selection of Architects, Engineers, Construction Managers	Status report on ongoing capital projects over \$250,000 - to be submitted to Board in January and July each year.	Over \$250,000

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Policy Manual Chapt/Section	Statutory Provision	or	Board Policy	Title	Brief Description	Current \$ Threshold
9.05(A)(5)			XX	Projects	Semiannual report to include a list of projects over \$50,000 anticipated in the next semi-annual period.	Over \$50,000
9.05(B)(2)			XX	Amendments to Consultant Agreements	Changes to contracts of less than \$25,000 - that do not increase the budget can be approved by the institution and reported on the capital register.	Less than \$25,000
9.05(B)(3)			XX	Amendments to Consultant Agreements	Change to contract exceeding \$25,000 - must be submitted to Executive Director for approval or referral to the Board.	Exceeding \$25,000
9.05(B)(4)			XX	Amendments to Consultant Agreements	Change to contract for projects exceeding \$250,000 - must be submitted to Executive Director for approval or referral to the Board when the total changes on a single contract exceed \$50,000 or 20% of the original contract, whichever is less.	\$50,000 or 20% of contract, whichever is less
9.05(C)			XX	Architect, Engineer, Construction Manager Fees	Negotiated agreements for projects over \$250,000 to be approved by Board	Projects over \$250,000
9.06(B)(1)			XX	Project Description and Budget	Project Description and Budgets less than \$50,000 - institutional approval will constitute approval subject to entry of the project in the Register.	Less than \$50,000
9.06(C)(1)			XX	Project Description and Budget	Projects between \$50,000 - \$250,000 and listed on a semiannual report will be entered in the Register when projects commence; Board Office approval will constitute approval for projects in this amount not on the semiannual report.	\$50,000 - \$250,000
9.06(D)(1)			XX	Project Description and Budget	Project budgets greater than \$250,000 to be submitted to the Board for review and approval as an entry of the Register with exhibit.	More than \$250,000
9.06(E)			XX	Project Description and Budget	Institutional head residence improvements over \$10,000 - need Board's prior approval.	Over \$10,000
9.07			XX	Program Statement	Program statements for new buildings, major additions or remodeling projects estimated to cost \$1,000,000 or more need to be submitted to the Board.	\$1,000,000 or more
9.08(A)(1)			XX	Plans and Specifications	Schematic Design for projects over \$1,000,000 need to be approved by the Board.	Over \$1,000,000
9.08(A)(2)			XX	Plans and Specifications	Design development for projects over \$1 million needs to be approved by the Board, unless waived by Board at time of schematic design approval	Over \$1,000,000
9.08(C)(3)	304A.8(1)			Plans and Specifications	At least 0.5% - of the project budget should be allocated to Art in State Buildings for new buildings, major renovations, or additions	At least 0.5%
9.09(A)(1)	73A.2			Public Hearing	Public improvement costing \$25,000 or more - Governing body to: adopt plans and specs and contract form; fix hearing time and place; and give notice.	\$25,000 or more

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Policy Manual Chapt/Section	Statutory Provision	or	Board Policy	Title	Brief Description	Current \$ Threshold
9.09(A)(2)	Administrative Code 681-8.6[1]			Public Hearing	Initial public hearing conducted by chief business officer for projects exceeding \$25,000	Over \$25,000
9.09(B)(1)	262.34			Public Bid	Estimated construction contracts over \$25,000 and construction not to be performed by institutional personnel - need to advertise for public bid.	Over \$25,000
9.09(B)(2)			XX	Public Bid	Work exceeding \$25,000 - to be offered for public bid unless otherwise authorized by Executive Director or Board.	Exceeding \$25,000
9.09(B)(2)(a)			XX	Bidding of Construction Contracts	Projects between \$25,000 and \$50,000 - where institutions request using personnel to perform work will be considered by the Executive Director on an individual basis.	\$25,000 - \$50,000
9.09(B)(2)(b)			XX	Bidding of Construction Contracts	Projects over \$50,000 - where institutions request using personnel to perform work will be referred to the Board for consideration.	Over \$50,000
9.09(C)(1)	Administrative Code 681-8.6[2]			Bid Bond	A bid bond of at least 5% of the bids (or other forms of currency as stated) - need to accompany bids.	At least 5%
9.09(C)(2)	Administrative Code 681-8.6[2]			Bidding and Award of Construction Contracts	Bids of \$50,000 or less - TSBs may provide a bid bond or a bond waiver.	\$50,000 or less
9.09(E)(3)			XX	Award of Construction Contracts	Projects under \$250,000 - Chief Business Officer can open, tabulate, recommend, and/or award contract. Projects over \$250,000 shall be forwarded to the Board Office.	Under \$250,000
9.09(E)(5)			XX	Award of Construction Contracts	Projects over \$250,000 - Executive Director to notify each institution of action taken.	Over \$250,000
9.10(A)(3)			XX	Construction	Contract change orders under \$50,000 - Chief Business Officer is authorized to approve.	Under \$50,000
9.10(A)(4)(b)			XX	Construction	Contract change orders over \$50,000 - Require Board approval unless waived by the Executive Director.	Over \$50,000
9.10(B)(1)	573.14			Construction	No more than 5% - Public corporation can retain from each monthly payment not more than 5% of the amount due.	No more than 5%
9.10(B)(4)	573.13			Construction	No more than 5% - Public corporation can't plead noncompliance and the retained %age of the contract price.	No more than 5%
9.10(B)(5)	573.12, 573.13, 573.14			Construction	5% of contract price or sum equal to double the total amount of all claims (whichever is less) can be retained	5% of contract price or sum equal to double the total of all claims
9.10(B)(7)	573.27			Construction	When at least 95% of any construction contract has been completed, full payment can be made for completed work and supplemental contracts can be made.	At least 95%

MGT RECOMMENDATION II-2						
REVIEW BOR APPROVAL THRESHOLDS						
Policy Manual Chapt/Section	Statutory Provision	or	Board Policy	Title	Brief Description	Current \$ Threshold
9.10(C)(2)			XX	Construction	For contracts exceeding \$10,000,000, Executive Director shall be provided 10 days advance notification of scheduled inspection.	Exceeding \$10,000,000
9.10(D)(1)			XX	Construction	Projects over \$250,000. final report required to be filed.	Over \$250,000
9.10(E)(2)(c)			XX	Construction	Sales tax less than \$25 - institutions to not file refund requests.	Less than \$25
10.06(b)(2)	716.7, 716.8			Criminal Trespass	Damage over \$100 by persons trespassing commits a serious misdemeanor.	Over \$100
10.09(B)	68B.3			Conflict of Interest	Contracts exceeding \$1,000 or \$2,000 aggregate for a fiscal year - require prior Board authorization.	Exceeding \$1,000 or \$2,000