

Contact: John Nash

### **REVISIONS TO BOARD POLICY MANUAL CHAPTER 2.3**

**Action Requested:** Approve, as a first and final reading, the proposed revisions to Board of Regents Policy Manual Chapter 2.3 - Property and Facilities. These revisions primarily remove the Design Build project delivery method as required by Senate File 183.

**Executive Summary:** Proposed revisions are as follows:

#### **2.3.1 Capital Plans, Requests and Reports**

A. Duties and Responsibilities of the Board of Regents include:

- i. Review of campus master plans.
- ii. Approval of the Annual Facilities Report, which includes the:
  - Five-Year Capital Plans for State Funds, [UIHC Funds and Other Funds](#)
  - Institutional Roads Program
  - Facilities Governance Report
- iii. Approval of financing of capital projects.
- iv. Review of facility stewardship.

#### **2.3.1.C.ii.b**

b. On certain projects a university may be responsible for the preliminary engineering, design, administration, contract letting, construction engineering, and inspection of a programmed institutional road construction project. The DOT shall be informed, consulted and concur in the various phases of the project as determined by a formal ~~agreement~~ [Agreement](#) between the Board and the DOT. The DOT shall reimburse the university for the actual design and construction costs of the project, as detailed in the formal ~~agreement~~ [Agreement](#).

#### **2.3.3.C.ii.c**

c. Approve:

- Alternative Delivery Methods
- Program Statements
- Design Professional Selections, Agreements and Amendments
- ~~Design-Build-Bridging~~, Feasibility Study and Ancillary Consultant Agreements
- Project Descriptions and Budgets and Revised Budgets
- Construction Contract Awards, Construction Contracts, Payment and Performance Bonds and change orders as provided for in this chapter.

2.3.3.C.iii

iii. Duties and Responsibilities of the Institutions

The institutions under the control of the Board of Regents are authorized to carry out on behalf of the Board duties as provided for in this chapter including:

- a. Survey needs, recommend capital projects and capital project actions to the Board.
- b. Utilize members of its staff to act as architect, engineer or associate architect or engineer, when it is in the institution's best interest, rather than acquire the services of a private sector consultant(s).
- c. Act as project manager.
- d. Certify to the Executive Director or Board Office that the final plans and specifications have been completed in conformance with the scope of the project approved by the Board or Board Office.
- e. Make all reports available and secure approvals as required by other governmental agencies.
- f. With the approval of the chief business officer or designee of the institution and consistent with policies outlined elsewhere in this chapter, conduct projects, including approval of project descriptions and budgets, revised budgets, Design Professional ~~agreements~~ Agreements and ~~amendments~~ Amendments, contract awards or rejection of bids, and change orders.
- g. Approve:
  - Design Professional Selections, Agreements and Amendments
  - ~~Design-Build-Bridging~~, Feasibility Study and Ancillary Consultant Agreements
  - Project Descriptions and Budgets and Revised Budgets
  - Construction Contract Awards, Construction Contracts, Payment and Performance Bonds and change orders as provided for in this chapter.
- h. Notify the Board Office whenever it is determined that a ~~contractor~~ Contractor or ~~consultant~~ Design Professional is not performing satisfactorily, and when consideration is being given to removing ~~the contractor or consultant~~ them.
- i. Submit to the Board Office a semi-annual report for all ongoing project budgets over \$250,000 occurring January 1 – June 30 or July 1 - December 31 of each year, within 45 days of the end of each period. The content and format of the semi-annual report will be provided by the Board Office.
- j. Notify the Board Office prior to solicitation of private and/or federal funds for capital improvement projects by an affiliated organization or the institution.
- k. The Board Office and institutions shall meet regularly to: a) discuss issues related to capital projects; b) ensure coordination of capital project policies and procedures; and c) provide advice on capital project policies and procedures, and d) discuss any capital project issues.

### 2.3.4 Register of Capital Improvement Business Transactions

- A. For each Board meeting, Each institutional each institution shall submit their submission shall carry a single agenda item for its “Capital Improvement Business Transactions,” or “Capital Register” to the Board Office on or before the submission due date. ~~as defined in this section.~~
- 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”). For easy reference, the Register should be divided into subheadings, as needed, for: Permission to Proceed with Project Planning; Consultant Agreements and Amendments; Program Statements, Schematic Design Documents; Project Descriptions and Budgets; Construction Contracts and Change Orders. Policies related to the subheadings are included in separate sections.~~
- B. Capital Register items include Permission to Proceed with Project Planning, Schematic Design and Project Description and Budget, Use of Alternative Delivery Methods is now embedded in these items.
- C. The chief business officer or designee of each institution shall certify the Register and send it to the Board Office with agenda materials.

### 2.3.5. Permission to Proceed with Project Planning

- A. For project budgets of over \$5,000,000 ~~or more~~, Permission to Proceed with Project Planning shall be approved by the Board prior to initiating formal project planning. Permission shall be requested in the docket with a description of the program being accommodated and a narrative of the project with alternatives, if any, to the proposed project. State the estimated cost of the project as a range and the probable source of funds. Use of the Design Professional Selection Process and/or any Alternative Delivery Method should also be requested at this time.

### 2.3.6 Alternative Delivery Methods (ADMs)

- A. To utilize alternative delivery methods, follow the “Alternative Delivery Method Guidelines” on the Regent’s website.
- B. For project budgets under \$5,000,000 using an ADM, submit a request to the Board Office to use the ADM ~~before~~ separately or with the request for approval of the Design Professional, ~~Design-Build Bridging Consultant~~ or Construction Manager at Risk Selections and Agreements. Include three ADM advantages over the traditional Design Bid Build project delivery method.
- C. For project budgets over \$5,000,000 using an ADM, submit a request to the Board to use the ADM ~~with~~ within the request for Permission to Proceed, Schematic Design or Project Description and Budget. Include three ADM advantages over the traditional Design Bid Build project delivery method.

### 2.3.7 Design Professional and Alternative Delivery Method Selections, Agreements and Amendments

#### A. Design Professional Definition

~~Design consultant agreements~~ Professional Agreements include, but are not limited to, agreements for architectural, engineering, or other design services, ~~professional, and construction management services.~~

#### i. ~~Design Consultant, Construction Management Services and Design-Build Firm Selection~~ Professional and Construction Manager at Risk Selections

##### a. Iowa Preference

Preference shall be given in accordance with Iowa Code to the selection of Design Professionals or Construction Manager at Risk firms ~~design consultant, construction management services firms or design build 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.

~~For design build firms, it is the design build firm's choice whether the design firm or the build firm (or both) are based in Iowa or with permanent offices in Iowa.~~

#### B. ~~Design Consultant and Construction Management Selection Process~~

#### i. ii. Projects budgets less than \$1,000,000, ~~selection and approved~~ selections shall be approved by the institutions.

Approval of the negotiated ~~agreement~~ Agreement by the institution (as detailed in this Chapter) shall constitute selection of the firm.

#### ii. iii. Projects budgets more than \$1,000,000, ~~selection~~ selections shall be made by an ~~institutional committee~~ Selection Committee and approved by the Board Office.

a. The ~~committee~~ Selection Committee shall be established for the purpose of selecting a firm for the specific project; ~~the committee~~ The Selection Committee shall be comprised of university facilities staff, other university stake holders and private sector Design Professionals as appropriate, ~~institutional personnel depending upon the consultant services to be provided.~~

b. The institution shall advertise its need for design services for the project. The institution shall notify the Iowa Chapter of American Institute of Architects (AIA), if the institution's intention is to secure architectural services.

c. The institution shall notify the Board Office when the institution will evaluate the proposals received to determine a short list of firms to be interviewed and when

the committee will meet to interview firms. A representative of the Board Office may elect to participate in the ~~selection process~~ Selection Process as a member of the ~~selection committee~~ Selection Committee.

- d. The committee shall evaluate the proposals received 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 committee's interviews with the firms, the committee shall recommend a firm and forward its selection, with justification, to the university chief business officer or designee for authorization to negotiate an agreement with the firm.
- f. The ~~selection committee's~~ Selection Committee's summary report shall be combined with the agreement Agreement and forwarded to the Board Office for approval.
- g. If Board approval is required, the selected firm, and/or the negotiated agreement Agreement, shall be included on the Register of Capital Improvement Business Transactions for Board approval.
- h. With appropriate detailed justification, an institution may request of the Board or Board Office (depending upon the size of the project) a waiver of the ~~selection process~~ Selection Process and the utilization of a specific ~~design consultant~~ Design Professional or ~~construction manager~~ Construction Manager at Risk rather than the utilization of a ~~selection committee~~ Selection Committee.
- ~~i. The requirements of this section do not apply to the selection of ancillary design consultants such as commissioning agents, quality control, material testing, equipment consultant, testing and balancing, move planning, and move execution. The institutions shall use their discretion to determine the best method to select ancillary design consultants, and shall document the method used.  
Agreements for ancillary services require approval of the Board Office only when the negotiated fee is \$200,000 or greater.~~

~~C.~~ B. Alternative Delivery Method Selection Process

- i. When the institution proposes use of an alternative delivery method in lieu of the traditional Design Bid Build delivery method, the institution shall obtain approval from the Board or the Board Office.
- ~~ii. The selection process for Construction Manager Agent should follow those outlined above for design consultants.~~
- ~~iii. ii. Just as the The contract award and contract approval are two separate Board Office approvals when using the Design Bid Build for both the Design Bid Build and the Construction Manager at Risk delivery method methods, the contract award and~~

~~the contract approval should be two separate Board Office approvals, when using the Construction Manager at Risk or Design-Build delivery methods.~~

~~D.~~ C. Design Consultant Professional or Construction Management Services Manager at Risk Agreements

- i. Projects budgets less than \$1,000,000 shall be reviewed and approved by the institutions.
- ii. Projects budgets more than \$1,000,000 shall be reviewed and approved by the Board Office.

~~E.~~ D. Design Consultant Professional or Construction Manager at Risk Services Amendments

- i. Projects budgets less than \$1,000,000, ~~amendments~~ Amendments to design consultant Design Professional or construction management services agreements Construction Manager at Risk Agreements shall be approved by the institution's chief business officer or designee.
- ii. Projects budgets more than \$1,000,000, ~~amendments~~ Amendments shall be approved by the institution unless a single amendment Amendment exceeds 5 percent or \$100,000 (whichever is less [with a minimum of \$50,000]) and/or the sum of the cumulative ~~amendments~~ Amendments exceeds 20 percent of the original agreement Agreement. If the amount of the amendment(s) Amendment(s) exceeds this threshold, the amendment(s) Amendment(s) shall be approved by the Board Office, but may be referred for Board action at the discretion of the Board Office.

~~F.~~ E. Design Consultant Professional or Construction Manager at Risk Fees

- i. Payments to the ~~design consultant~~ Design Professional or ~~construction manager~~ Construction Manager at Risk for services shall be based on a fee negotiated with the institution and approved by the institution, Board Office, or Board as provided for in this Chapter.
- ii. To expedite the start of design, an institution may request a ~~design professional~~ Design Professional to include their Schematic Design fee with their regular RFP proposal at the time of the final interviews. The fee would be set by the institution and clearly stated in the RFP.

After a ~~design professional~~ Design Professional is selected by the institution, the institution and the ~~design professional~~ Design Professional would enter into a Schematic Design agreement Agreement based on the Schematic Design fee. As Schematic Design nears completion, all remaining ~~design professional~~ Design Professional services are negotiated and added to the Schematic Design

agreement Agreement as Amendment #1. The new agreement Agreement amount is defined as the sum of the Schematic Design agreement Agreement and Amendment #1.

G. F. Disputes with Design Consultants Professionals and Construction Managers

Disputes between the design consultants Design Professionals or construction managers Construction Manager at Risk firms and the university will be handled in accordance with procedures outlined in the Board of Regents' Design Professional or Construction Manager at Risk Agreements. ~~consultant's or construction manager's agreement.~~

H. G. ~~Design-Build Bridging, Feasibility Study and Ancillary Consultant Agreements~~

Institutions are authorized to use ~~Design-Build Bridging, Feasibility Study and Ancillary Consultant Agreements.~~

- i. Feasibility Study Agreements may involve strategic planning or master planning services related to university facilities for the purposes of establishing the feasibility, concept or scope for capital projects.
- ii. Ancillary Consultant Agreements may include, but are not limited to, services for building commissioning, quality control, material testing, equipment consultant, testing and balancing, move planning and move execution.
- iii. For ~~Design-Build Bridging, Feasibility Study or Ancillary Consultant Agreements~~ with a total anticipated cost less than \$200,000, including reimbursables, the institution shall determine the ~~process for selection~~ Selection Process of the consultant or negotiate with the consultant. The institution's chief business officer or designee shall approve the ~~selection~~ Selection and Agreement.
- iv. For ~~Design-Build Bridging, Feasibility Study or Ancillary Consultant Agreements~~ with a total anticipated cost of \$200,000 or more, including reimbursables, the institution shall formally advertise for services, form a Selection Committee, evaluate submittals, short list firms for interviews, interview those firms and make a final selection. The Board Office shall approve the ~~selection~~ Selection and Agreement.