

Contact: John Nash

PROPOSED BOARD POLICY MANUAL REVISIONS – CHAPTER 2.3

Action Requested: Approve property and facility revisions, which include:

- Inserts and defines the Annual Facilities Report
- Adds a formal definition of new construction and renovation
- Sets Board approval starting at \$5,000,000 for the Use of an Alternative Delivery Method (ADM)
- Sets Board Office approval starting at \$200,000 for Design Build Bridging, Feasibility Study and Ancillary Consultants formal Selections and Agreements
- Clarifies when Program Statements and Schematic Designs are not required
- Raises institutional approval from \$500,000 to \$1,000,000 for approval of Project Descriptions and Budgets to minimize administrative costs and streamline facility operations
- Raises Board Office approval from \$500,000 to \$750,000 for revised project budgets and eliminates the 10% requirement to minimize administrative costs and streamline facility operations
- If no bids are received or under emergency circumstances, institutions would be allowed to request a waiver of the bidding process from the Board Office and negotiate a construction contract with a specific contractor. This rarely used provision would be used in the interest of project time and funds.

Executive Summary: To expedite the startup of smaller projects and to minimize administrative costs, the Board Office requests Board approval to raise the two approval thresholds (above).

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 annual:
 - Five-Year Capital Plans with next fiscal year's capital appropriation requests
 - Facilities Governance Report
 - Institutional Roads Program

~~Approval of five-year building programs and capital appropriation request(s).~~

- iii. Approval of financing of capital projects.
- iv. Review of ~~facility stewardship. capital issues.~~
- v. ~~Receipt and/or approval of annual governance reports.~~

3. Capital Improvement Projects – Definitions, Duties and Responsibilities

A. Definition of a Capital Improvement Project, New Construction and Renovation

- iii. ~~New construction is an entirely new structure or a major addition to an existing structure and/or systems.~~
- iv. ~~A renovation is an upgrade to an existing building and/or systems, improving it to new or like new condition.~~

C. Duties and Responsibilities

- i. Duties and Responsibilities of the Board of Regents
 - b. ~~Approve Alternative Delivery Methods.~~
 - c. ~~Approve the Selection and Agreements of a Design Professional, Design Build team or a Construction Manager (as defined within the Policy Manual).~~
 - g. ~~Approve Construction Contract Awards, rejection of bids, Construction Contracts and/or change orders (as defined within the Policy Manual).~~

6. Alternative Delivery Methods (ADMs)

~~C. For project budgets under \$5,000,000 using an ADM, submit a request to the Board Office to use the ADM before or with the request for approval of the Design Professional, Design Build Bridging Consultant or Construction Manager Selections and Agreements. Include three ADM advantages over the traditional Design Bid Build method.~~

~~D. For project budgets **over \$5,000,000** using an ADM, submit a request to the Board to use the ADM with the request for Permission to Proceed. Include three ADM advantages over the traditional Design Bid Build method.~~

7. Design Professional and Construction Manager Selection, Agreements and Amendments

~~C. 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 purpose 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 of less than \$200,000, including reimbursables, the institution shall determine the process for selection of the consultant or negotiate with the consultant. The institution's chief business officer or designee shall approve the 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 and Agreement.

8. Program Statements

- B. Program Statements are not required for utilities, grounds, razings, mechanical/electrical system upgrades, restroom modifications, roof replacements, exterior envelope repairs and equipment installations, where the equipment cost is 50% or more of the total construction budget.

9. Schematic Design Documents

- B. Schematic Designs are not required for utilities, grounds, razings, mechanical/electrical system upgrades, restroom modifications, roof replacements, exterior envelope repairs and equipment installations, where the equipment cost is 50% or more of the total construction budget.

10. Project Descriptions and Budgets

- B. Projects with Budgets less than ~~\$500,000~~ **\$1,000,000**

Shall be reviewed and approved by the institutions.

Any project budget for the official state-owned residence of an institutional head of \$100,000 or more shall be reviewed and approved by the Board Office.

~~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 with budgets of less than \$500,000. However, the renovation, modification or improvement to the official state-owned residence of an institutional head requires approval of the executive director of the Board should the project budget exceed \$100,000.~~

E. Revised / Amended Project Budgets

i. Revised Project Budgets less than \$1,000,000

Shall be reviewed and approved by the institutions.
Please include all revised budgets in the semi-annual report to the Board Office.

~~A project with an increased budget which results in a revised budget totaling less than \$1,000,000 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.~~

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

Shall be reviewed and approved by the Board Office.

~~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.~~

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

Shall be reviewed and approved by the Board.
A revised project budget increase less than **\$750,000** above the last approved budget shall be approved by the Board Office.

~~A project with an increased budget which results in a revised budget totaling \$2,000,000 or more shall be approved by the Board. However, a revised project budget increase of less than 10% of the project budget approved by the Board (Board Office) or \$500,000, whichever is less, may be approved by the Board Office.~~

~~iv. Revised, Decreased Project Budgets and Amended Project Budgets~~

~~**Need not be submitted to the Board Office or the Board.** A revised, decreased budget, or an amended budget as defined in 2.3.7A3, need not be submitted to the Board Office or the Board for approval.~~

11. Bid Openings, Receipt of Construction Bids and Award of Construction Contracts

B. Receipt of Construction Bids

vii. With appropriate detailed justification such as the receipt of no bids or under emergency circumstances, an institution may request from the Board Office a waiver of the bidding process and permission to negotiate a contract to a specific contractor.

14. Construction Contracts and Change Orders

B. Reports and Awarding of ~~Contracts~~ Construction Contracts, Design Build Contracts, Construction Manager @ Risk and Payment and Performance Bonds