



Angelo State University
Operating Policy and Procedure

OP 40.03: Construction Projects Costing Less than \$1 Million and Renovation Projects Costing Less than \$2 Million

ORIGIN

DATE: September 1, 2007

LAST

REVIEW: August 22, 2011

PURPOSE: The purpose of this Operating Policy/Procedure (OP) is to establish the submittal, review, design, and construction process for new construction projects costing less than \$1 Million and renovation projects costing less than \$2 Million. This OP applies to all university users (academic, administrative, and auxiliary) to ensure projects comply with campus standards, life safety codes, accessibility, and building codes. This OP also complies with administrative procedures as mandated by the state Legislature and the Board of Regents, as per OP 40.05.

REVIEW: This Operating Policy (OP) will be reviewed in September of odd numbered years by the director of facilities planning and construction (FP&C) with recommended revisions forwarded through the vice presidents to the president by October 15 of the same year.

POLICY/PROCEDURE

1. General

a. Building Modification Request (BMR)

A BMR (Attachment) is a formal request for work requiring planning and/or design and may involve multiple shops for in-house or contract accomplishment and is used to request construction projects costing less than \$1 million or renovation projects costing less than \$2 million. Refer to OP 40.01 Building Modification Control. Projects exceeding these amounts should be submitted to the FP&C at ASU, who will then submit the project to the vice chancellor for facilities planning and construction (VCFPC).

b. Funding Responsibility

It is the responsibility of the requesting department to determine availability of funds for initiation of a project. Typical funding sources are:

- (1) Outside grants, donations, and contributions;
- (2) Department appropriated funds; and

(3) Funds allocated by the president for specific projects.

The vice president for finance and administration (VPFA) will approve all sources of funding prior to any project being sent to FP&C.

2. Customer BMR Preparation and Processing

The requesting department submits a BMR form to FP&C when requesting building alterations, major repairs, minor construction/renovation, and repair/installation of departmental equipment costing less than \$1 million for construction and less than \$2 million for renovation.

- a. Departments will not perform self-help work projects involving campus buildings such as modifications, construction, painting, or cable installation.
- b. The requesting department completes Section I of the BMR form and submits it to FP&C via e-mail, hand carried, or mailed. The source of funds (account number) must be provided on the BMR form and must have the VPFA's approval prior to submission to FP&C.

3. FP&C Processing Procedures

- a. FP&C manages BMRs. Initial screening and reviews by FP&C management will determine whether a project scope meets the cost limitations. The requesting department will be advised to contact the VCFPC when the estimate is projected to exceed the cost limitations noted in section 1.a.
- b. Projects meeting the cost level limits will be reviewed to see if the project meets the Campus Master Plan goals and will obtain approval for the modification from the executive director of business services regarding the use of the space and the modification requested. If the project appears to be in line with campus goals, the project will be retained by FP&C and assigned a project number.
- c. A memo will be e-mailed to the requesting department providing it with a project number and processing status. Depending on the scope of the project, the BMR will be sent directly to the project manager (PM) for scope development, specification clarification, and program estimates.
- d. The PM will review all requests for asbestos, fire, safety, and environmental implications. Any costs for sampling required by a consultant will be added to the project cost. The requesting department will pay the cost of sampling, regardless of the final project status. A notification will be sent to the requester after each phase.
- e. The PM will determine if the project is of a size that can be completed by Facilities Management (FM) staff. The project will be sent to the associate director of building services (ADBS) to see if the project can be completed in-house.

4. Preparation of In-House Projects and Program Estimates

a. In-House Estimates

Projects that are clearly defined and do not require extensive design efforts are sent directly to Building Maintenance Services. The ADBS will work with the requester to develop an estimate for the project.

- (1) The requester will be contacted by the ADBS to define the scope of the project clearly and to ensure the customer understands the project must meet all university standards and legislated and mandated requirements.
- (2) When a possibility exists that asbestos may be present, the ADBS will contact the director of facilities management to perform an asbestos survey.
- (3) Design for projects that are within the capability of FM shops will be forwarded to the FM Work Control section for in-house estimates.
- (4) If an outside architect/engineering (A/E) firm is required to obtain an initial program estimate, the ADBS will contact the requester to request funding for A/E support.
- (5) The ADBS will assume management of projects designed and accomplished by contract. The ADBS will send a memo to the requesting department advising of the scope and cost estimate, including final design and construction costs. A copy of the memo will also be forwarded to FM Work Control to place in a suspense project folder.

b. Project's by Outside Contractors

- (1) If the scope of the project is too large, too difficult, or cannot be completed in-house because of other work loads, the project cost will be estimated by FP&C.
- (2) The scope of the work will be determined and defined by the requestor and FP&C so that a reasonable estimate can be made with regard to the project cost.
- (3) If an outside A/E firm is required to obtain an initial program estimate, FP&C will contact the requester to request funding for A/E support.
- (4) Once the final project cost estimate is prepared, the BMR will be completed and returned to the requester for approval.

5. Obtaining Project Approval and Funding Authorization

- a. Upon receipt of the estimates, the department supervisor should take appropriate action and return the information as soon as possible to FP&C.
- b. Because of rapid changes in the costs of materials and labor, departments will be given a maximum of 90 days to approve and verify funding or disapprove the project.
- c. Initial estimates provided for requested work are "shotgun" or "ballpark" costs only and

should not be construed as firm price quotations. Actual costs may be higher or lower, depending on final design and firm estimates. The requester will be advised should final estimates exceed original estimates. Final billing will be for actual costs incurred and not the original estimates.

- d. When FP&C receives approval from the requester and funds are encumbered, requests for changes to the project will be required in writing from the department approving authority. Extra charges or credits will be reflected in the final project billing.

6. **Project Accomplishment/Construction**

Depending on urgency, project scope, and source of the final estimates, work may be accomplished by one of two methods:

a. In-House

Projects accomplished by FM shops:

- (1) The FM will encumber approved funds and establish an estimated start date (ESD) based on availability of labor and expected time required for obtaining necessary materials.
- (2) The requesting department will be notified of the ESD via memorandum. Depending on availability of materials and labor hours, most projects should be started within 45 days after approval.
- (3) If the ESD has been or will be exceeded, FM Work Control will notify the requester of the new start date.
- (4) When the project is completed, a FM representative will contact the requester for review of completed work and final costs.

b. Construction Contract

Projects requiring final design documents and accomplishment by outside contractors will be administered as follows:

- (1) Upon notification by the requesting department that funds are available, the FP&C PM will notify the A/E to proceed with final project design for contract accomplishment.
- (2) The PM will coordinate all contract bidding procedures with DFP&C to determine if the project will be sent out for competitive proposals, or if the project will be sent to a Job Order Contractor. The PM will work with FP&C and the Purchasing Office to prepare a contract and other purchasing documents. Depending on the size of the project, approximately six weeks may be required to advertise, bid, and award a construction contract to meet state purchasing regulations.
- (3) The PM will monitor work performed by contract and will serve as primary contact throughout a project's construction and warranty phases.

- (4) When the PM determines that the project is substantially completed and an acceptance date established, the PM will schedule a formal project closeout meeting to be attended by the contractor, A/E, required university entities, and the requesting department.

7. Project Billing

- a. FP&C will bill for services for all projects for which billing is allowed. The schedule of fees is broken out as follows:
 - (1) For projects that are less than \$50,000, but more than \$10,000, the project will be billed a fee of 10% of the cost as per the billing schedule provided below.
 - (2) For projects that are less than \$100,000, but are more than \$50,000, the project will be billed a fee of 7.5% of the cost as per the billing schedule provided below.
 - (3) For projects that are less than \$500,000, but are more than \$100,000, the project will be billed a fee of 6.5% of the cost as per the billing schedule provided below.
 - (4) For projects that are less than \$1,000,000, but are more than \$500,000, the project will be billed a fee of 5.0% of the cost as per the billing schedule provided below.
 - (5) For projects that are less than \$2,000,000, but are more than \$1,000,000, the project will be billed a fee of 4.0% of the cost as per the billing schedule provided below.
 - (6) All project billing will be billed to the accounts approved for the construction of the project.
 - (7) The bill will occur as follows:
 - a) 50% of the fee will be billed upon approval and funding of the project.
 - b) 30% of the fee will be billed upon the start of construction.
 - c) 20% of the fee will be billed upon the completion of the construction and close-out of the project.

Refer to: OP 40.01 Building Modification Control

Attachment: [Building Modification Form](#) (BMR)