



Angelo State University
Operating Policy and Procedure

OP 40.01: Construction and Renovation Projects Including Financial Administration

DATE: September 10, 2015

PURPOSE: The purpose of this Operating Policy/Procedure (OP) is to establish the submittal, review, design, construction process, and financial administration for new construction projects. 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, Texas Higher Education Coordinating Board (THECB), and the Texas Tech University System (TTUS) Board of Regents.

REVIEW: This OP will be reviewed in August every five years, or as needed, by the director of facilities planning and construction (DFPC) with recommended revisions forwarded through the vice president for finance and administration (VPFA) to the president by September 15th of the same year.

POLICY/PROCEDURE

1. Capital Improvement – Small Projects

ASU is required to report all projects that fall into the category of costing \$1,000.00 or more, but less than \$4 million and are classified as deferred maintenance, critical deferred maintenance, facility renovation, or facility adaptation to the THECB in October of each year. This submission is for projects that are being considered during the next five years. Each department is responsible for requesting projects to Facilities Planning and Construction (FP&C) in May of each year. Requests should be listed by building, room, work desired, estimated cost or actual cost, priority from 1 to 5, and with as much detail as possible. A master list will be prepared and the list will be used by the administration each year to determine what projects are funded and what projects are priority.

Construction or renovation projects exceeding \$2 million will then be submitted for approval to the TTUS Board of Regents.

2. Regulatory Compliance

- a. ADA/TAS - The university strives to provide facilities that are in compliance with the American Disabilities Act and the Texas Accessibility Standards (ADA/TAS). All new projects are subjected to plan reviews with modifications implemented to comply with all applicable regulations. Existing facilities are gradually being modified, as funding permits, to bring all facilities up to current accessibility standards.

- b. Fire Marshal - The State of Texas Fire Marshal is the governing authority with regard to fire codes on the university campus. The campus is inspected at least once a year by the Fire Marshal and steps are taken to comply with any recommendations as a result of the inspection. Facilities Management is responsible for the installation and maintenance of all fire alarm systems, fire sprinkler systems, fire extinguishers, and stand pipe systems. All of the systems are tied to the Energy Management System (EMS) with alarm notifications being sent to the University Police Department and to Facilities Management. All fire safety systems are inspected on an annual basis.
- c. Building/Zoning Codes - The university campus is exempt from compliance with any local building or zoning codes. It is the intent, however, to work with the local authorities with regard to zoning and compliance with all local laws. The university complies with the International Building Code on all new construction implemented on the campus. The intent of the University is to build all structures in compliance with the latest version of the International Building Code.
- d. Coordinating Board - FP&C is responsible for the timely reporting of facility improvements and construction to the Coordinating Board on an annual basis. Any construction and/or renovation to the university's facilities over \$4 million requires Coordinating Board approval.
- e. TCEQ/Environmental Protection Agency - The Texas Commission on Environmental Quality (TCEQ) is the governing authority for the university with regard to EPA compliance. FP&C reports any major ground water changes to the Environmental Protection Agency (EPA) through ASU's Environmental Health, Safety, and Risk Management Department. It is the intent of FP&C to be environmentally friendly and comply with all regulations from either of these agencies.

3. Customer Building Modification Request (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 large departmental equipment requiring building modifications costing less than \$2 million for construction or renovation.

- a. Departments will not perform self-help work projects involving campus buildings such as modifications, construction, painting, or cable installation, unless the request is approved by using the BMR form. Any self-help project accomplished without proper approval will be brought to the attention of the appropriate vice president.
- 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 Vice President for Finance and Administration's (VPFA) approval prior to submission to FP&C.

4. FPC 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.
- b. Projects meeting the cost level limits will be reviewed to determine if the project meets

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the Campus Master Plan goals. Those doing so will be assigned to a FP&C project manager (PM) who will review and record upon 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 included on the master project list submitted to the administration and the THECB.

- c. Depending on the approval of administration, the BMR may be sent directly to the project manager (PM) for scope development, specification clarification, and program estimates. Upon approval by administration, the PM assigned to the project will contact the initiator of the BMR to obtain more information.
- 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.
- e. The PM will determine if the project is of a size that may be completed by Facilities Management (FM) staff. The project will be sent to the associate director of building maintenance (ADBM) to determine if the project can be completed in-house depending on shop schedule. The FP&C PM will then determine if the project is to be completed by FM or by an outside contractor.

5. Preparation of In-House Projects and Program Estimates

a. In-House Estimates

Projects that are clearly defined and do not require extensive design effort will be sent directly to the building maintenance department to see if it can complete the work. The ADBM will work with the PM to develop an estimate for the project.

- (1) The requester will be contacted by the PM to define clearly the scope of the project 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 PM will contact an asbestos remediation company to perform an asbestos survey.
- (3) The PM will assume management of projects designed and accomplished by in-house FM staff. The PM will send a memo to the requesting department advising of the scope and cost estimate (including final design and construction costs).

b. Projects by Outside Contractors

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

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- (4) Once the final project cost estimate is prepared, the BMR will be completed and returned to the requestor for approval.

6. 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. Due to 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. If a project is not approved in ninety (90) days, the project will be removed from the list.
- c. Requestor shall note that initial pricing cannot be construed as firm price quotation as actual costs may be higher or lower, depending on final design and firm estimates. The requestor will be advised should final estimates exceed original estimates. Final billing will be for actual costs incurred and not estimates of construction costs.
- d. When FP&C receives approval from the requestor 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.

7. Project Accomplishment/Construction

Depending upon urgency, project scope, and source of the funding, work may be accomplished by one of two methods:

a. In-House

Projects accomplished by FM shops:

- (1) 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 upon availability of materials and labor hours, most projects should be started within 45 days after approval.
- (3) If the ESD has or will be exceeded, the ADBM will notify the requestor of the new start date.
- (4) When the project is completed, a FM representative will contact the requestor 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 the DFPC to determine if the project will be sent out for competitive proposals, or if the project will be sent to a job order contractor (JOC). The PM will work with FP&C staff 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 contractor 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 requesting department.

8. Project Billing

- a. The Office of 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 \$1,000, the project will be billed a fee of 10% of the cost.
 - (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.
 - (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.
 - (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.
 - (5) For renovation 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.
 - (6) Project management fees for all projects over \$2,000,000 will be assessed and collected as per TTUS Board of Regents (Section 08.01.9 *Regents' Rules*).

9. Building Modification Control

- a. Alteration of Floor Plans - Any plans that will alter existing building floor plans must be coordinated with and approved by the DFPC. This includes, but is not limited to, changing openings, partitions, doors, air-conditioning ducts, plumbing or wiring, moving installed equipment or adding to a building. Plans shall be reviewed by FP&C to ensure that codes and standards are not violated. Special care will be taken to maintain fire safety standards and to minimize hazards to occupants and maintenance personnel. Plans submitted by departments or agencies that change use of areas must be approved by the space allocation authority and be sufficiently detailed to permit updating of the central plans file in FP&C. Serious problems may result when plans are not kept current. The locations of electrical panels, natural gas shut-off valves, water shut-off valves, clean-out ports, utility bleed valves and various system test valves must be included on proposed

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alteration plans. These locations are important to those responding to an emergency and to those performing routine maintenance. FP&C architectural and engineering consultant services are available to assist departments in developing viable plans.

- b. Adding to or Modifying Building - Under no circumstances will a department other than FP&C or FM order, install, or have installed, any building modification or any equipment that will become a permanent part of a building. Nor will a department other than these remove any permanent part of a building or its utilities.
- c. Work on Facilities by Other than FM Staff - Under no circumstances should employees be assigned work on facilities either interior or exterior. FM and RLM staff have been trained and certified to perform all work on facilities. Failure to abide by this policy places the institution at extreme risk and subject to undue liability. Failure to abide by this policy may result in disciplinary action of the offender.

10. Project Management

- a. In general, project management guidelines will follow THECB and the TTUS Board of Regents guidelines.
- b. Projects estimated to cost \$2 million or more for new construction or major renovations will usually be managed by FP&C in conjunction with the Vice Chancellor for Facilities Planning and Construction (VCFPC).
 - (1) Occasionally, the management of a project exceeding these limits will be delegated to another department by the VCFPC with the concurrence of the VPFA and FP&C.
 - (2) Oversight and approval of these projects will be by the VCFPC; however, the department to which the project is delegated will administer and execute the project and will be responsible for managing the project accounts.
- c. Projects estimated to cost less than \$2 million for new construction or major renovations will normally be managed by the Angelo State University DFPC.
- d. Projects designated as part of the Public Art Program will be managed by the VCFPC. Project funds from the 1 percent art allocation will be placed in an account managed by the VCFPC. The Public Art Program procurements will be approved by the System Public Art Committee (PAC) with final approval of the Chancellor. The manager of the Public Art will assist in coordinating with the PAC and in procuring public art. Individual art projects not part of a construction or renovation project normally will be managed by the VCFPC but may be managed by either the University or the System with agreement among the VCFPC, VPFA, and FPC.
- e. Landscaping work that is part of a construction or renovation project will generally be managed by the entity managing the overall project (e.g., VCFPC or ASU). Funds from the 1 percent landscape allocation will be placed in an account managed by the appropriate entity. Individual smaller projects not part of a construction or renovation project may be managed by either entity with agreement among the VCFPC, VPFA, and FP&C. These projects will be handled on a case-by-case basis.

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- f. The office assigned project management responsibility will be responsible for the administration and execution of a project including budget preparation, additional approvals, contract administration, financial management, project design, construction, and processing and payment of invoices.

11. Approval of a Construction Project

- a. Projects estimated to cost less than \$2 million for new construction or for major renovations may be approved by the president or the president's designee.
- b. Construction projects in this category that require establishment of a specific budget, regardless of fund source, must be approved by the VPFA and the president.
- c. Projects estimated to cost \$2 million or more for new construction or major renovations require approval by the TTUS Board of Regents (Section 08.01 *Regents' Rules*). Projects estimated to cost \$4 million or more for new construction or for major renovations require approval by the THECB.

(1) The VCFPC is responsible for obtaining the required approval from the Board of Regents and the THECB.

(a) Before submitting a project to the Board of Regents, the VCFPC and FP&C will forward a project budget to the VPFA. The VPFA will obtain all required approvals within the university and inform the VCFPC when funds are available. The VPFA will certify in writing that funds are available for that project or portion of the project. Normally, the VPFA will inform the VCFPC when the project and budget may be taken to the Board of Regents for approval.

(b) Typically, the VCFPC will obtain all required approvals from the Board of Regents at one time (project budget and scope/approval to complete the design), will obtain THECB approval, and will award a construction contract.

(2) After the Board of Regents has approved a project, the VCFPC and FP&C will prepare a budget in the appropriate amount and submit it to the VPFA for approval and processing.

(a) The VPFA will identify a source of funds, approve the budget, and forward the budget to the Budget Office for processing.

(b) The Budget Office, in coordination with the Controller's Office, will process the budget and:

- 1) Assign the account number(s);
- 2) Enter data into the financial accounting system;
- 3) Establish an account history file;
- 4) Advise the VCFPC or FPC when the budget has been processed and the funds are available; and

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- 5) Distribute copies of the approved budget to the VCFPC, FP&C, Controller's office, and other offices, as required.
- (3) If changes in the budget of a minor construction project will cause the project to fall within the definition of a major construction project, the new project budget and contract must be taken to the Board of Regents for approval.
- e. For construction projects that cost less than \$2 million for new construction or repair and rehabilitation (minor construction projects), the Office of the Facilities Planning & Construction with approval of the VPFA and president is authorized to proceed with any of the following actions, as applicable to the project:
 - (1) Establish a project budget and approve a schematic design;
 - (2) Solicit and accept bids or proposals;
 - (3) Select a construction manager-agent, construction manager-at-risk, design-build firm, or contractor;
 - (4) Award a contract;
 - (5) Assign job order contracts for minor repair, rehabilitation, or alteration; and
 - (6) Record the project completion date.

12. Budget Adjustments

- a. When a change is made in a major project (new construction or renovation more than \$2 million) that necessitates a revision to the budget, approvals for the project revision and a revised budget must go through the same channels as those required for a new project. If the cost of a project increases by 10 percent or greater, the VCFPC will obtain re-approvals from the Board of Regents and the THECB. Re-approval is also required if the scope of the project changes significantly (i.e., more than 10 percent).

Attachment A: [Building Modification Form](#)