**BOV-013**

# Involvement of the Board of Visitors in the Capital Planning Process

**Effective Date** Saturday, October 2, 2004

**Status** Final

**Policy Type** Board of Visitors

**Contact Office** Architect (Office of the)

Senior Vice President for Operations (Office of the)

**Oversight Executive**
Secretary to the Board of Visitors

**Applies To** Academic Division, the Medical Center, and the College at Wise.

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## Reason for Policy

Improves existing physical planning policies and procedures to ensure that physical planning works in close harmony with academic and financial planning to develop workable strategic plans that accomplish institutional goals within the allotted time and budget.

## Definition of Terms

### Terms

**Description** There are no terms that require definition.

## Policy Statement

POLICY FOR INVOLVEMENT OF THE BOARD OF VISITORS IN THE CAPITAL PLANNING PROCESS

WHEREAS, the Board of Visitors approved the “Procedure for Involvement by the Buildings and Grounds Committee in Design Review of Capital Projects” on February 5, 2004 and the “Procedure for the Selection of Architects and Engineers” on May 13, 1993; and

WHEREAS, these procedures define the role of the Buildings and Grounds Committee in the capital planning process; and

WHEREAS, the Board reviewed recommendations to improve the capital planning process on April 17, 2004 as a part of the University's renewed effort to plan more fully and comprehensively; and

WHEREAS, these recommendations improve existing physical planning polices and procedures to ensure that physical planning works in close harmony with academic and financial planning to develop workable strategic plans that accomplish institutional goals within the allotted time and budget; and

WHEREAS, these recommendations are more comprehensive than the approved procedures;

RESOLVED that the "Procedure for Involvement by the Buildings and Grounds Committee in Design Review of Capital Projects," dated February 5, 2004, and the "Procedure for the Selection of Architects and Engineers," dated May 13, 1993, are rescinded; and

RESOLVED FURTHER that the "Policy for Involvement of the Board of Visitors in the Capital Planning Process," be adopted as follows:

POLICY FOR INVOLVEMENT OF THE BOARD OF VISITORS IN THE CAPITAL PLANNING PROCESS

1. Capital Plan: The Board of Visitors shall approve Six-Year Capital Outlay Plans and individual capital projects outside of the Six-Year Capital Outlay Plans, upon the recommendation of the Buildings and Grounds Committee. Approval shall include 1) endorsement of the programmatic concept and justification for each capital project, and 2) financial feasibility of proposed funding plans for construction and operating costs. To facilitate these approvals, the Buildings and Grounds Committee shall seek the advice and consent of the appropriate committees of the Board on the Six-Year Capital Outlay Plans. For programmatic endorsements, advice and consent shall be sought from the chair or the chair's designee of the Educational Policy Committee (academic projects), Medical Center Operating Board (hospital/clinical projects), Student Affairs and Athletics Committee (student activities and athletic/intramural projects) and the Committee on the College at Wise. For endorsement of the funding plans, advice and consent shall be sought from the chair or the chair's designee of the Finance and External Affairs Committees. Infrastructure plans shall be reviewed by the Buildings and Grounds Committee.

2. Development Review of Capital Projects:

a. The Buildings and Grounds Committee shall meet as required with the Architect for the University to review, at the Committee's discretion, all major building projects currently underway, at the following stages: 1) Concept, Site, and Design Guidelines, and 2) Schematic Design.

b. A quorum of the Buildings and Grounds Committee will have the authority to grant approval to projects at either stage with the understanding that particular projects identified by the Chair as especially important will be brought to the Committee for its review and approval at a regular meeting of the Board of Visitors.

c. The Buildings and Grounds Committee will report all of its actions to the Board of Visitors at its next regular meeting.

d. If a schematic design does not receive approval from the Buildings and Grounds Committee, it will be referred back to the Architect for the University for further development of the design concept.

e. The Buildings and Grounds Committee oversight includes "Contract Review," which informs the committee of the selected builder, the anticipated schedule to occupancy, and the project budget. If as a result of bidding, a project's budget must be increased by more than 10 percent, approval by the Buildings and Grounds Committee

and the Finance Committee, or their respective chairs, will be required before the contract is awarded. If to stay within its budget, a project's scope must be reduced by more than 10 percent, approval by the Buildings and Grounds Committee, or the committee chair, will be required before the contract is awarded.

3. Funding Requirement for Project Initiation: To ensure that complete funding for construction projects is available when needed, the start of construction for projects with private funding components may begin only when 100 percent of the required cash and written enforceable pledges on a present-value basis are in hand and 100 percent of the cash is projected to be in hand prior to the completion of construction. If the enforceable pledges will not be in hand prior to the completion of construction, the project may be allowed to proceed into construction if the project proponent can demonstrate that it has the funding to cover short-term financing costs. Any exception to this policy shall be approved by the Executive Vice President and Chief Operating Officer with the concurrence of the Chair of the Finance Committee.

If during the design of a project, fund raising lags behind projections, the Administration may halt the design process until sufficient funds have been raised, or may set specific fund raising target dates that must be met before a project proceeds to the next stage of project development.

4. Selection of Architects and Engineers:

a. The Architect for the University shall be responsible to the Executive Vice President and Chief Operating Officer for the management of the selection process and recommendation for contract approval of all consultant architects, planners, and landscape architects. This delegation includes contracts for all new buildings, additions to existing buildings, exterior modification of existing buildings, historic preservation/ conservation projects, major landscape projects, and site furnishing projects of $5 million or less. The Buildings and Grounds Committee shall approve the selection of architects, planners, and landscape architects for all projects in excess of $5 million.

b. The Vice President for Management and Budget shall be responsible to the Executive Vice President and Chief Operating Officer for the management of the selection process and recommendation for contract approval of all engineers. This delegation includes contracts for the design of specific engineering and related infrastructure projects of $5 million or less. The Building and Grounds Committee shall approve the selection of engineers for all projects in excess of $5 million.

5. University Land Use and Grounds Plans:

The Architect for the University shall provide an annual status report on the University's Overall Land Use and Grounds Plans to the Buildings and Grounds Committee for review and approval of any proposed major modifications to the currently approved plans.

6. Establishment of Funding for Operations of New Capital Facilities:

Capital projects undertaken by the University involve not only the initial investment to construct a facility or renovate an existing structure, but also the funding of ongoing operating costs. The plan for funding operating costs shall be confirmed before a commitment is made to undertake a new capital project.

**Procedures**

The Board of Visitors, the Architect for the University and the Senior Vice President for Operations jointly oversee the physical planning and development process.

**Policy Background**

Reference: BOV minutes October 1-2, 2004, pgs 6741 – 6745.

**Major Category** Board of Visitors

**Category Cross Reference**

Physical Resource Management

**Supercedes Policy Text**

Procedure for Involvement by the Buildings and Grounds Committee in Design Review of Capital Projects dated February 5, 2004; Procedure for the Selection of Architects and Engineers dated May 13, 1993.

**Approved By** Board of Visitors

**Approved Date** Saturday, October 2, 2004