

NUMBER: 1623

TITLE: **Administration of Capital Outlay Construction Under the Nongeneral Fund Decentralization Program**

APPROVED: **September 9, 2005**

I. Background

The 2005 General Assembly session passed HB 2866 and SB 1327 to establish the Restructured Higher Education Financial and Administrative Operations Act. This Act allows public institutions of higher education restructured financial and operational authority as described in subdivisions A1 through A13 of Section 23-38.88 of the Act.

Pursuant to §23-38.88, *Eligibility for Restructured Financial and Administrative Operational Authority*, subdivision A3 states that “public institutions of higher education that have in effect a signed memorandum of understanding with the Secretary of Administration regarding participation in the nongeneral fund decentralization program as set forth in the appropriation act...to enter into contracts for specific construction projects without the preliminary review and approval of the Division of Engineering and Buildings of the Department of General Services, provided such institutions are in compliance with the requirements of the Virginia Public Procurement Act and utilize the general terms and conditions for those forms of procurement approved by the Division and the Office of the Attorney General.”

II. Board of Visitors Policy

Having a signed Memorandum of Understanding (MOU) with the Secretary of Administration concerning the administration of capital outlay construction contracts under the Nongeneral Fund Decentralization Program, it is the policy of the Board of Visitors to administer such contracts in consonance with that MOU and any properly approved amendments thereto. In particular, it is the Board’s policy that such administration adhere to the requirements of the Virginia Public Procurement Act, and incorporate the procurement forms and terms and conditions approved by the Commonwealth’s Division of Engineering and Buildings and the Commonwealth’s Attorney General.

III. Authority

The Vice President for Administration and Finance or the Vice President’s designee shall be responsible for interpretation, implementation and compliance of this policy. The Vice President for Administration and Finance may delegate this authority by letter.

IV. Definitions

A. Alternate Project Delivery Methods - Design-Build and Construction Management services as defined herein and Chapter 11 of the CPSM.

- B. BCOM - The Commonwealth's Bureau of Capital Outlay Management, an entity of the DGS reporting to DEB.
- C. Capital Projects - Construction projects in excess of \$500,000 that have been approved by the General Assembly.
- D. Construction - Building, altering, repairing, improving or demolishing any structure, building or highway, and any draining, dredging, excavation, grading or similar work upon real property.
- E. Construction Management - Services provided under a contract with the Owner, which generally include coordinating and administering construction contracts for the benefit of the Owner, but may also include, if provided in the contract, furnishing construction services to the Owner.
- F. CPSM - The Commonwealth's Construction and Personal Services Manual issued by BCOM
- G. DEB - The Commonwealth's Division of Engineering and Buildings which reports to DGS.
- H. DGS - The Commonwealth's Department of General Services which reports to the Secretary of Administration.
- I. Design-Build - Services under a contract with the Owner in which the party contracting with the public body agrees to both design and build the structure, roadway or other item specified in the contract.
- J. MOU - Memorandum of Understanding under the Non-General Fund Pilot Decentralization Program executed between the University and the Secretary of Administration in October 2003.
- K. Professional Services - As used in these procedures, the services of licensed architects, engineers and other professionals as defined in the VPPA.
- L. VPPA - The Virginia Public Procurement Act

V. Procedures

Old Dominion University intends to manage Non-General Fund capital projects in accordance with the processes and procedures laid out in the most recent edition of the CPSM, as modified by the MOU and procedures outlined herein.

A. Project Development

1. The University Architect/Director of Design and Construction will initiate approved projects with the standard BCOM form CO-2.
2. CO-2 approvals will be coordinated with BCOM consistent with the procedures laid out in the CPSM for General Fund projects.
3. Standard BCOM CO-6 forms will be used for approval of Working Drawings and completion of any structural and special inspections.

B. Procurement of Professional Services

1. The University will follow the procedures laid out in the CPSM for procurement of professional services.
2. Working with the University Architect/Director of Design and Construction the Director of Material Management will manage the initial procurement (that is solicitation, evaluation and award) of these contracts and assist the University Architect/Director of Design and Construction in contract administration.
3. The Director of Material Management will maintain record files of the procurement solicitation, evaluation and award.
4. The University Architect/Director of Design and Construction will maintain record copies of professional services contract administration documents.

C. Proprietary and Sole Source Specifications

1. Generally, the University will seek to avoid proprietary or sole source specifications.
2. The University Architect/Director of Design and Construction, working with the Director of Material Management and the Director of Facilities Management will develop sole source or proprietary specifications, and justification supporting their use, as circumstances require.
3. The Vice President of Administration and Finance will review and approve the use of such specifications in those cases where warranted.

D. Design Reviews and Approvals

1. The University will seek BCOM review of all design work.

2. The University Architect/Director of Design and Construction will submit schematic and preliminary drawings to BCOM for informal review, while continuing the design process.
3. The University Architect/Director of Design and Construction will submit Construction Documents and a completed Application for Building Permit to BCOM for review. This review will be for conformance with
 - a. The Uniform Statewide Building Code
 - b. Accessibility standards in accordance with the current requirements of the CPSM
 - c. Technical standards in accordance with the current requirements of the CPSM
4. The University Architect/Director of Design and Construction will obtain written approval of other State and Federal agencies as may be required for a particular project.

E. Construction Bids and Proposals

1. Construction procurement and administration will be governed by the current procedures of the CPSM.
2. Working with the University Architect/Director of Design and Construction the Director of Material Management will manage the initial procurement (that is solicitation, evaluation and award) of these contracts and assist the University Architect/Director of Design and Construction in contract administration.
3. Should bid or proposal prices exceed construction budgets, the Vice President of Administration and Finance may grant authority to negotiate with apparent low bidder/highest ranked offeror.
4. The Vice President of Administration and Finance will approve the BCOM CO-8, Approval to Award a Construction Contract.

F. Change Orders

1. The provisions of the VPPA will govern the creation of change orders.
2. The University will observe the current requirements of the CPSM in approval and administration of change orders.
3. The University Architect/Director of Construction and Design, assisted by the Director of Material Management will negotiate change orders, whether for professional services or construction services, as may be required.

4. The Vice President of Finance and Administration, or his designee will review and approve change orders, except that
 - a. Change orders which involve changes to systems regulated by the Building Code or the life safety elements related to the Building Code will sent to BCOM for review.
 - b. Change orders which change the scope of work authorized by the Appropriations Act will be submitted to the Director of DEB for review and approval.
- G. Alternate Project Delivery Methods
1. The Vice President of Administration and Finance will approve the use of Design-Build or Construction Management for projects within the scope of this policy and these procedures.
 2. Procedures for the use of Design-Build or Construction Management services which follow the current requirements of the CPSM.
 3. The procedures set out above will apply when procuring and administering Design-Build and Construction Management services.