

**NUMBER:** 1623

**TITLE:** Administration of Capital Outlay Non-General Fund Construction Projects Under Level II Delegated Authority

**APPROVED:** September 9, 2005; Revised June 14, 2012; Revised April 22, 2022

**SCHEDULED REVIEW DATE:** April 2027

I. Background

Pursuant to §23.1-1002, Eligibility for Restructured Financial and Administrative Operational Authority and Financial Benefits, subdivision B3 states that a “public institution of higher education that has in effect a signed memorandum of understanding with the Secretary of Administration regarding participation in the non-general fund decentralization program as set forth in the appropriation act, as provided in Subsection C of [§2.2-1132](#) 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 \(§2.2-4300 et seq\)](#) and utilize the general terms and conditions for those forms of procurement approved by the Division of Engineering and Buildings and the Office of the Attorney General.”

The 2016 General Assembly session recodified the higher education Title of the Code, which enacted [§23.1-1003 of the Code of Virginia](#) providing that:

“Each public institution of higher education that meets the state goals set forth in subsection A of [§23.1-1002](#) may enter into a memorandum of understanding with the appropriate Cabinet Secretary, as designated by the Governor, for restructured operational authority in any operational area adopted by the General Assembly in accordance with law, provided that the authority granted in the memorandum of understanding is consistent with the institution’s ability to manage its operations in the particular area.”

II. Board of Visitors Policy

Having signed Memoranda of Understanding (MOU) with the Secretary of Administration concerning the administration of capital outlay construction contracts under the Non-general Fund Decentralization Program, and an additional MOU for Level II delegated authority, it is the policy of the Board of Visitors that the University administers such contracts in accordance with those MOUs and any properly approved amendments thereto. It is also the Board’s policy that the administration of non-general fund capital outlay projects adheres to the requirements of the Virginia Public Procurement Act and incorporates the procurement forms and terms and conditions approved by the Division of Engineering and Buildings and the Office of the Attorney General.

III. Authority

The Vice President for Administration and Finance or designee shall be responsible for interpretation and implementation of, and compliance with this policy.