

## RENOVATION AND CONSTRUCTION POLICY

<b>Responsible Department:</b>	Operations
<b>Responsible Administrator:</b>	Associate Vice President of Operations
<b>Effective Date:</b>	January 1, 2019
<b>Reviewed/Updated Date:</b>	
<b>Date of Scheduled Review:</b>	June 1, 2023

### I. PURPOSE

To provide for the planning, funding, approval, design and completion of renovation and construction projects on university facilities. These policies and procedures do not apply to the request for maintenance services, which are handled by Operations.

### II. SCOPE

This policy applies to all university departments and to all University Facilities.

### III. DEFINITIONS

**Department Liaison** - The individual in the department that is responsible for the project.

**Maintenance Services** - The upkeep of property, machinery, and facilities, including buildings, roads and grounds. It is characterized by its routine or recurring nature, the purpose of which is to keep facilities and systems functional. It also includes repair and replacement in kind.

**Project Costs** - Include, but are not limited to, the cost of construction; installed equipment; furniture; architectural, engineering and legal expenses; cost of surveys, plans, and specifications; site development; infrastructure upgrades; and other expenses required to provide a completed project. An appropriate level of contingency funds will be required.

**Project Fund** - The accounting plant fund set up by Financial Operations for all of the Renovation and Construction Project's expenses.

**Project Manager** - The ACU employee, appointed by the Associate Vice President of Operations, overseeing the Renovation and Construction Project.

**Renovation and Construction Project** - Include, but are not limited to, the following being performed on University Facilities:

- Alterations, improvements, renovation, or remodeling of existing facilities
- Additions to existing facilities or new construction
- Changes in utility systems: air conditioning, heating, electrical, plumbing, air, gas, etc.
- Major equipment installation requiring utility connections or other requirements, such as cooling, etc.
- Replacement of floor, wall or ceiling finishes
- Facility design, program development, feasibility studies and planning or cost estimates on renovation or construction

- Interior or exterior painting

**University Facilities** - All university owned or leased (from or to the university) buildings, athletic facilities, landscape features, utilities, site improvements, drainage systems, roads, parking lots, sidewalks, etc.

#### IV. POLICY

A. All Renovation and Construction Projects must be in accordance with the Board of Trustees Policy Manual (Section 2.7, Renovation and Construction of Facilities).

B. No costs can be incurred or work authorized to proceed for any Renovation or Construction Project until all of the following are completed:

- A budget with all Project Costs has been prepared.
- An estimate of any change in annual operating costs due to the project has been prepared (this includes costs to be incurred by the requesting department or any other university department).
- Funds to cover all Project Costs and any increase in annual operating costs have been identified. These funds may be department operating, designated or restricted funds; capital funds; gifts or written pledges.
- The Project Fund has been established and all funds have been transferred.

Preliminary work such as feasibility studies, programming, design and/or estimates may proceed provided funds to cover these costs have been transferred to the Project Fund.

Physical renovation or construction work cannot proceed until funds to cover the full cost of the renovation or construction have been transferred to the Project Fund.

Only the president or his authorized designee may approve a Renovation or Construction Project to proceed without full funding being secured. Some projects will also require Board of Trustee approval to proceed without full funding.

C. The university's objective in the design and construction of its facilities are to:

- Build high quality facilities respective to functionality and appearance.
- Make the best and most cost-effective use of dollars expended.

Renovation and construction must be of quality design, with materials and workmanship appropriate for the particular project, and must be equal to or exceed the construction quality of existing facilities and conform to university standards and local, state and federal regulations and building codes.

D. Renovation and construction projects that have an effect on the Campus Master Plan or involve any exterior renovation or construction will be reviewed by the Associate

Vice President of Operations for compliance to all plans and Board of Trustee policies.

- E. All negotiating and contracting for any phase of Renovation and Construction Projects, including design work, is to be performed by the Office of Construction except as specifically authorized in writing by the Associate Vice President of Operations.

All contracts must meet all ACU contracting policies and procedures.

- F. Only the Associate Vice President of Operations shall engage, contract with and coordinate the services of professional architects and engineers.

Design by a registered architect or engineer is required for Renovation and Construction Projects that involve any modifications to a building's wall, ceilings, structural system, electrical system, or mechanical system that require interpretation of the fire or building codes.

All design, drawings and specifications for Renovation and Construction Projects involving the practice of a professional architect or engineer shall be prepared by or under the direct supervision of a registered professional architect or engineer.

- G. All renovation and construction work shall be performed by either licensed contractors approved by and under the supervision of the Associate Vice President of Operations or by Operations personnel. Departments or individuals are not authorized to perform renovation or construction work unless, and to the extent that, specific written authorization is given by the Associate Vice President of Operations.
- H. Only the Project Manager should communicate with the architect, contractor, sub-contractors, etc. Department personnel are requested to direct all communication relative to a project to the Department Liaison who will communicate with the assigned Project Manager.

Job site visits may not be made without prior arrangement with the Project Manager.

- I. For university-owned facilities leased to non-university tenants, the lease agreement shall reflect this policy as appropriate.
- J. The following approvals are required for Renovation and Construction Projects. All approvals must be obtained before any work commences or funds spent on the project. All projects will require a budget balance check by Financial Operations for full funding.

### Division Approval Levels

The dollar amount each position level can approve:

		Division					
Approval Level		Academics	Advancement	Athletics	Enrollment	Operations	All Others
1	Up to \$5,000	Chair	Dept Head		Dept Head	Dept Head	Dept Head
2	Up to \$20,000	Dean Director VP Church Relations	Director		Director	Director AVP Finance AVP Operations	Director
3	Up to \$100,000			Assistant or Associate Athletic Director		VP Student Life CFO	
4	Up to \$500,000	Provost	VP Advancement	Athletic Director	VP Enrollment	Sr VP Operations	VP
5	Over \$500,000 or any project requiring Board of Trustee approval	Senior Leadership Team					
6	Greater than 10,000 square feet or greater than the value below*	Board of Trustees					

### Finance Approval Levels

The following finance approvals are required based on the total cost of the project:

		Budget Manager	AVP Finance	Chief Financial Officer	Sr VP Operations
1	Up to \$5,000	X			
2	\$5,001 to \$20,000	X			
3	\$20,001 to \$100,000	X	X		
4	\$100,001 to \$500,000	X	X	X	
5	Over \$500,000	X	X	X	X

Value = 1.5 percent of property and equipment (net of depreciation) for the preceding fiscal year (e.g. the value calculated for FY2019 will be used during FY2020). The exact value will be listed on the project forms.

- K. Renovation and Construction Projects will be administered in accordance with university purchasing policies and procedures.
- L. Any change in the Renovation and Construction Project's scope of work will require a written change order, whether the change is requested by the department or an issue that arises during the project. Before the change can be incorporated into the project's scope:
- The change in the project's cost must be determined
  - A funding source must be identified if the overall cost of the project is increased by any amount

- The appropriate approvals must be obtained based on the revised cost of the project
- M. As part of the cost estimation process, an estimate of the time to complete the project will be made. This time does not begin until the notice to proceed is given. The notice to proceed will not be given until the Project Request Form is returned to the Office of Construction with all approvals having been obtained and all funds are transferred to the project.

## **V. PROCEDURES**

### **A. Requesting an Estimate for a Project**

1. The Department Liaison contacts Operations to request a project estimate.
2. A Project Manager will contact the Department Liaison and schedule a meeting to review the project request.
3. After the meeting, a written cost estimate and time schedule will be prepared and given to the Department Liaison.

### **B. Project Request and Approval**

1. The Department Liaison completes a Project Request Form and secures all of the required approvals.
2. The completed and approved Project Request Form is sent to Operations.
3. With full approval, the project will commence based on the prepared project schedule.

### **C. Project Changes**

1. Any change, whether requested by the department or a construction issue, a Project Change Form will be completed by the Department Liaison, who will also secure all of the required approvals.
2. With full approval, the change will be incorporated into the project.

### **D. Project Conclusion**

1. At the end of the project, once all invoices have been paid, any unused funds will be returned to their source and a project report will be issued to the Department Liaison.