

PROCESS FOR NEW CAPITAL PROJECTS

The University of Texas Board of Regents

The Capital Improvement Program (CIP) details the U. T. System's long-range plan to preserve and enhance facility assets. The CIP is a six-year projection of major repair and rehabilitation and new construction projects to be implemented and funded from component and System-wide revenue sources. Major repair and rehabilitation projects are defined in the Regents' Rules and Regulations as projects with a cost in excess of \$2,000,000. Major new construction projects are defined as projects with a cost in excess of \$1,000,000. Projects that are architecturally or historically significant are identified as major projects regardless of cost. This plan is updated every two years and there is a process for adding projects off-cycle.

Texas Higher Education Coordinating Board

Texas Education Code and Texas Higher Education Coordinating Board rules require that public institutions receive Board approval for all real property acquisitions, new construction, and repair and renovation of all buildings and facilities at institutions of higher education financed from any source of funds, and accurately report institutional space to the Board. Board rules require that institutions submit for its consideration:

- a. New construction projects costing \$1 million or more;
- b. Repair and renovation projects costing \$2 million or more;
- c. Acquisitions of real property; and
- d. Gifts or donations of improved real property.

Board rule 17.14 related to re-approval of projects requires institutions to submit projects for re-approval if:

- a. the total cost of a project exceeds cost estimates by more than 10 percent; or
- b. the gross square footage is changed by more than 10 percent; or
- c. the institution has not contracted for the project within 18 months from its final Board approval date; or
- d. any funding source of an approved project is changed.

Based on this information, following are the steps required for new capital projects:

- A draft list of projects to be included in the CIP and the Texas Higher Education Coordinating Board Master Plan is prepared by the Assistant Vice President for Campus Operations & Facilities.
- These lists are reviewed and approved by the President, the Senior Executive Vice President/Chief Operating Officer, the Executive Vice President for Facilities Planning and Administration, and the Executive Vice President for Business Affairs.
- Projects are placed on the U.T. System Capital Improvement Program or the Future Project list of the CIP, depending if funding has been identified and secured.
- A program is prepared for each project that has funding.
- A design team is selected by a committee that is made up of one half OFPC representatives and one half UTHSCSA representatives.
- The design team is approved by the President of UTHSCSA and approved by the Associate Vice Chancellor for Facilities Planning and Construction.
- If Construction Manager at Risk delivery method is being utilized, the Construction Manager at Risk is selected by a team consisting of one half OFPC representatives and one half UTHSCSA representatives.
- The Construction Manager at Risk is approved by the President and the Associate Vice Chancellor for Facilities Planning and Construction.
- When design is at the Design Development stage, the UTHSCSA President sends a letter to the Executive Vice Chancellor for Health Affairs requesting review of the building be placed on the Board of Regents agenda for their approval of the building concept and funding authorization.

- After approval by the BOR, the Assistant Vice President for Campus Planning and Facilities prepares a Project Application for the Texas Higher Education Coordinating Board's review and approval.
- Upon completion of the construction documents, a Guaranteed Maximum Price is prepared by the Construction Manager at Risk or bids are received from contractors under the Competitive Sealed Proposal delivery method.
- In either case, the President of UTHSCSA approves the cost and it is also approved by the Associate Vice Chancellor of Facilities Planning and Construction.
- If the Total Project Cost exceeds the budget by less than 10%, the Chancellor of the U.T. System can approve the expenditure of the additional funds.
- If Total Project Costs exceed the budget by more than 10%, the BOR must approve the additional amount and a revised Project Application must be submitted to the Texas Higher Education Coordinating Board.