

# Capital Project Process

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Facilities Planning & Construction-managed Projects



# Capital Projects

- System Policy 51.01 defines Capital Projects as any new construction, additions, or renovation of A&M System facilities with scopes of \$4M or more.
- System Policy 51.04.01
  - Delegates authority to the System CFO for projects \$10M and over, to be administered by Office of Facilities Planning & Construction (FP&C).
  - Delegates authority to the System Member CEO for administering construction projects with a total project cost of less than \$10,000,000.
- System Members include a 5-year plan of capital projects in the Programmatic Budget Reviews presented annually to the Board of Regents (BOR).
- System Treasury Services maintains and updates the System Capital Plan.



# Typical Steps for a FP&C-managed Capital Project

- Preparation of Project Information Form and Submittal to Treasury (**System Member**)
- Inclusion on draft Capital Plan with a future year designation (**Treasury**)
- Approval of Five Year Capital Plan (**BOR**)
- Development of Program of Requirements (**System Member**)
- Review and Comment on Program of Requirements upon request (**FP&C**)
- Approval of Program of Requirements (**System Member CEO**)
- Inclusion on draft Capital Plan with a current year designation (**Treasury**)
- Approval of Current Year Capital Plan and Authorization of 10% preconstruction funding (**BOR**)



## Typical Steps for a FP&C-managed Capital Project *(continued)*

- Pre-construction Funding Appropriation (**Treasury**)
- Commencement of Project Management (**FP&C**)
- Recommend Selection of Architect/Engineer and General Contractor (**FP&C**)
- Review and Approve Architect/Engineer and General Contractor (**Chancellor / BOR**)
- Design Management of Project (**FP&C**)
- Obtain Construction Pricing Proposal (**FP&C**)
- Approval to Initiate Construction (**BOR**)
- Construction Management of Project (**FP&C**)
- Turnover/Occupancy (**FP&C / System Member**)



# Preparation of Project Information and Submittal to Treasury

- System Policy 51.01 Section 2.2 requires the following project information be submitted to Treasury Services:
  - Project Name and Description
  - New Construction – assignable net square feet, E&G net square feet, plus need justification
  - Renovation – existing assignable square feet, E&G net square feet
  - Impacts on existing infrastructure
  - Project planning amount
  - Fiscal year start date
  - Source of funds



# Project Information Requirements for Capital Planning

System Member

Name of Project \_\_\_\_\_

Description of Project \_\_\_\_\_

New Construction/Addition

Acquisition

Renovation/Rehabilitation Project

## Project Planning and Funding

Project Planning amount: \_\_\_\_\_ FY in which project design will be initiated: \_\_\_\_\_

Revenue Financing System (RFS) Debt \_\_\_\_\_

Permanent University Fund (PUF) Debt \_\_\_\_\_

Cash \_\_\_\_\_

Gift Funds \_\_\_\_\_

Total \$ \_\_\_\_\_

Will any services in the facility be contracted with a third party (dining, bookstore, advertising)? \_\_\_\_\_ (Y/N)  
If yes, provide a copy of contract to Treasury Services and estimated NSF for third party operations. \_\_\_\_\_ NASF

## \*Remaining sections to be completed if not submitting a POR

### Space Requirements

Offices: \_\_\_\_\_ NASF

Classrooms: \_\_\_\_\_ NASF

Labs: Wet (Undergraduate) \_\_\_\_\_ NASF

Dry \_\_\_\_\_ NASF

R&D \_\_\_\_\_ NASF

Other: (describe below) \_\_\_\_\_ NASF

Total Net Assignable Square Footage: \_\_\_\_\_ NASF

Total E&G Square Footage: \_\_\_\_\_ NASF

Total Gross Square Footage: \_\_\_\_\_ GSF

Justification for space need: \_\_\_\_\_

### Infrastructure Impacts and Project Site

Parking required? \_\_\_\_\_ (Y/N)

Number of parking spaces needed \_\_\_\_\_

Description of parking requirements \_\_\_\_\_

Utility relocation required? \_\_\_\_\_ (Y/N)

Description of utility relocation requirements \_\_\_\_\_

Utility plant expansion required? \_\_\_\_\_ (Y/N)

Additional tons of CW/HW needed \_\_\_\_\_

Description of utility plant expansion requirements \_\_\_\_\_

Data/Telecom required? \_\_\_\_\_ (Y/N)

Description of data/telecom requirements \_\_\_\_\_

Other requirements? \_\_\_\_\_ (Y/N)

Description of other requirements \_\_\_\_\_

Project Site Identified? \_\_\_\_\_ (Y/N)

If yes, provide project site information. \_\_\_\_\_

# Inclusion on draft Capital Plan with a Future Year designation

- System Policy 51.01 requires all capital projects be on the Five Year System Capital Plan.
- To be included on the System Capital Plan as a future project campuses must submit the project information requirements to Treasury Services.



# Approval of Five Year Capital Plan

- System Members present their proposed Capital Plan project(s) during the annual Programmatic Budget Review.
- The System Capital Plan is presented as an agenda item annually by A&M System leadership to BOR.





# Development of Program of Requirements

- System Members are responsible for developing the Program of Requirements (POR)
- FP&C has a list of pre-approved programming firms that System Members can contract with to complete the POR
- System Members can also choose to develop the POR themselves or solicit a programming firm themselves
- FP&C can provide templates and/or assistance upon request



# Review and Comment of Program of Requirements

- FP&C is available upon request to review PORs to help determine if the following areas are addressed and can provide suggested revisions back to System Members for consideration.
  - Document includes all information as contained in FP&C template
  - System strategic plan imperatives compliance
  - Project Name and Description
  - Impact on Infrastructure
  - Estimated cost of Deferred Maintenance included for renovations
  - Current Campus Master Plan Compliance Statement
  - Determination of System Furnishings and Equipment



## Review and Comment of Program of Requirements *(continued)*

- Net Assignable Square Footage (NASF) and Educational & General (E&G) NASF
- Facility cost and efficiency values per Texas Higher Education Coordinating Board (THECB)
- Impact on Infrastructure considered in cost estimate
- Project schedule takes into account constraints including meeting dates
- Cost, schedule and scope align based on current market conditions
- Facility Maintenance Plan included
- Executed by System Member Chief Executive Officer



# Inclusion on draft Capital Plan with a current year designation

- To be included on the System Capital Plan's current year, it is the responsibility of each System Member to have a Program of Requirements approved by the System Member CEO



# Approval of Capital Plan with a current year designation

- Board approval of the System Capital Plan authorizes the appropriation of up to 10% of the planning amount for the proposed projects on the current fiscal year for preconstruction activities.
- A project with a future year designation can be moved to the current fiscal year with the completion of a POR, identification of funds and approval by both Chair of the Committee of Buildings and Physical Plant and the Chancellor.
- Capital Plan Amendments can be made with BOR approval to add projects or change project planning amounts.



# Pre-construction Funding Appropriation

- Following approval of a project on the current year System Capital Plan, FP&C initiates a request for Project Funding Appropriation form (C-1)
- Request routes through Treasury Services, System Member CFO, System Member CEO and System Deputy Chancellor/CFO



# Commencement of Project Management

- FP&C commences with project management when all of the following items are complete:
  - The project is on the Current Year Capital Plan
  - The project has an Executed Program of Requirements
  - The Project Fund Appropriation form (C-1) has been completed



## Recommend Selection of Project Design team(s) and Construction Contractor(s)

- FP&C selects design team(s) and construction contractor(s) per TGC 2254, TEC 51 and System Policy 51.02.
- Standard A/E selections as well as GC selections on Design/Build (DB) and Construction-Manager-at-Risk (CMAR) contracts require both Chancellor approval and Board of Regents approval (7-day exception period).
  - Best value or emergency selections include a 15-day exception period
- GC selection through a Competitively Sealed Proposal (CSP) only requires Chancellor approval.





# Design of Project

- FP&C manages design process to ensure:
  - Compliance with
    - Executed Program of Requirements
    - Applicable building codes and System design guidelines
    - Campus design standards
    - THECB recommendations for cost and efficiency
  - Consideration made for construction costs
    - Life cycle cost analysis to provide systems with best value
    - Design specifications allow for competitive pricing
  - Spaces provide initial functionality and future flexibility
  - User needs and input address throughout design phases



# Obtain Construction Pricing Proposal

- On projects using the Construction-Manager-at-Risk (CMAR) or Design-Build (DB) delivery methods, FP&C obtains a Guaranteed Maximum Price (GMP) proposal from the construction manager, usually based on 100% design development documents.
- On projects using Competitively Sealed Proposal (CSP) delivery method, FP&C solicits proposals from general contractors with a complete set of construction documents.
- Both methods receive pricing prior to BOR construction approval.



# Approval to Initiate Construction

- Board of Regents approval is required prior to the start of construction.
- FP&C presents project specific site plans, design renderings, schedule and pricing when seeking construction approval.
- Draft THECB submission compares project to current cost and efficiency parameters.



# Project Construction

- FP&C oversees all aspects of construction, including:
  - Budget and Schedule
  - Procurement of subcontracts
  - Change orders and contingency authorizations
  - Inspections for quality and acceptance
  - Coordination with System Member operations
  - Below-the-line items
    - Testing, furnishings, equipment, etc.



# Capital Project Turnover / Occupancy

- Training
- Manuals
- Maintenance schedule
- Warranty
- THECB final requirements
- etc...

