



Angelo State University
Operating Policy and Procedure

OP 40.01: Construction and Renovation Projects Including Financial Administration

DATE: May 10, 2019

PURPOSE: The purpose of this Operating Policy/Procedure (OP) is to establish the submittal, review, design, construction process, and financial administration for new construction, renovation and building modification projects. This OP applies to all university users (academic, administrative, and auxiliary) to ensure projects comply with campus standards, life safety codes, accessibility, and building codes. This OP also complies with administrative procedures as mandated by the State Legislature, Texas Higher Education Coordinating Board (THECB), and the Texas Tech University System (TTUS) Board of Regents.

REVIEW: This OP will be reviewed in August every five years, or as needed, by the director of facilities planning and construction (DFPC) with recommended revisions forwarded through the vice president for finance and administration (VPFA) to the president by September 15th of the same year.

POLICY/PROCEDURE

1. Capital Improvement – Small Projects

ASU is required to report all projects that fall into the category of costing \$1,000.00 or more, but less than \$4 million and are classified as deferred maintenance, critical deferred maintenance, facility renovation, or facility adaptation to the THECB in October of each year. This submission is for projects that are being considered during the next five years. Each department is responsible for requesting projects to Facilities Planning and Construction (FPC) each year. Requests should be submitted through a Building Modification Request (BMR), with as much detail as possible. A master list will be prepared by FPC and the list will be used by the administration each year to determine what projects are funded and what projects are priority.

Construction or renovation projects exceeding \$2 million will then be submitted for approval to the TTUS Board of Regents.

2. Regulatory Compliance

- a. ADA/TAS - The university strives to provide facilities that are in compliance with the American Disabilities Act and the Texas Accessibility Standards (ADA/TAS). All new projects are subjected to plan reviews with modifications implemented to comply with all applicable regulations. Existing facilities are gradually being modified, as funding permits, to bring all facilities up to current accessibility standards.

- b. Fire Marshal - The State of Texas Fire Marshal is the governing authority with regard to fire codes on the university campus. The campus is inspected at least once a year by the Fire Marshal and steps are taken to comply with any recommendations as a result of the inspection. Facilities Management (FM) is responsible for the operations and maintenance of all fire alarm systems, fire sprinkler systems, fire extinguishers, and stand pipe systems. All of the systems are tied to the Energy Management System (EMS) with alarm notifications being sent to the University Police Department (UPD) and to FM. All fire safety systems are inspected on an annual basis.
- c. Building/Zoning Codes - The university campus is exempt from compliance with any local building or zoning codes. It is the intent, however, to work with the local authorities with regard to zoning and compliance with all local laws. The university complies with the International Building Code on all new construction executed on the campus. The intent of the University is to build all structures in compliance with the latest version of the International Building Code.
- d. Coordinating Board - FPC is responsible for the timely reporting of facility improvements and construction to THECB on an annual basis. Any construction and/or renovation to the university's facilities over \$4 million requires THECB approval.
- e. TCEQ/EPA - The Texas Commission on Environmental Quality (TCEQ) is the governing authority for the university with regard to Environmental Protection Agency (EPA) compliance. FPC reports any major ground water changes to the EPA through ASU's Environmental Health, Safety, and Risk Management Department (EHSRM). It is the intent of FPC to be environmentally friendly and comply with all regulations from either of these agencies.
More information can be found at: <https://www.tceq.texas.gov/permitting/>
- f. TDSHS (formerly TDH) - The Texas Department of State Health Services (TDSHS), formerly the Texas Department of Health (TDH), is the Health and Human services department for the state of Texas. TDSHS directs and manages the state Asbestos Program to protect and promote the physical and environmental health of the people of Texas from asbestos, to prevent unnecessary exposure of the public to asbestos in workplaces and buildings, and to assure proper disposal of asbestos. FPC must comply with the rules and regulations set by TDSHS, including surveying, reporting, submission and monitoring for demolition and renovation projects.
More information can be found at: <https://www.dshs.texas.gov/asbestos/>

TDSHS also directs and manages the state Food Service and Safety regulations, "to protect the public health through the efficient operation of a comprehensive, progressive retail food protection program focusing on education, training, and oversight, which will ultimately reduce the potential for food borne illness in Texas." FPC must comply with the rules and regulations set by TDSHS, including permitting, reporting, submission and inspection for food service projects.

More information can be found at: <https://dshs.texas.gov/foodestablishments/>

3. Building Modification Control

- a. Departments **will not** perform self-help work projects involving campus buildings such as modifications, construction, painting, or cable installation, unless the request is approved by using the Building Modification Request (BMR) form. Any self-help

project accomplished without proper approval will be brought to the attention of the appropriate vice president.

- b. Adding to or Modifying Building - Under no circumstances will a department other than FPC or FM order, install, or have installed, any building modification or any equipment that will become a permanent part of a building. Nor will a department other than these remove any permanent part of a building or its utilities.
- c. Work on Facilities by Other University Staff (Other than FM Staff) - Under no circumstances should employees be assigned work on facilities either interior or exterior. FM staff have been trained and certified to perform all work on facilities. Failure to abide by this policy places the institution at extreme risk and subject to undue liability. Failure to abide by this policy may result in disciplinary action of the offender.
- d. Alteration of Floor Plans - Any plans that will alter existing building floor plans, including plans proposed by a service vendor, must be coordinated with and approved by the DFPC. This includes, but is not limited to, changing openings, partitions, doors, air-conditioning ducts, plumbing or wiring, moving installed equipment or adding to a building. Plans shall be reviewed by FPC to ensure that codes and standards are not violated. Special care will be taken to maintain fire safety standards and to minimize hazards to occupants and maintenance personnel. Plans submitted by departments or agencies that change use of areas must be approved by the space allocation authority and be sufficiently detailed to permit updating of the central plans file in FPC. Serious problems may result when plans are not kept current. The locations of electrical panels, natural gas shut-off valves, water shut-off valves, clean-out ports, utility bleed valves and various system test valves must be included on proposed alteration plans. These locations are important to those responding to an emergency and to those performing routine maintenance. FPC architectural and engineering consultant services are available to assist departments in developing viable plans.

4. University User Building Modification Request (BMR) Preparation and Processing

- a. The university user or requesting department (initiator) submits a BMR form to FPC when requesting building alterations, major repairs, minor construction/renovation, and repair/installation of large departmental equipment requiring building modifications costing less than \$2 million for construction or renovation. FPC manages BMRs.
- b. The university user or requesting department (initiator) must complete the BMR form and submit it to FPC via e-mail (fpcmail@angelo.edu), hand carried, or mailed. The source of funds (account number) must be provided on the BMR form and must have the VP approval prior to submission to FPC.
- c. If the full scope of the project is unknown at the time of the BMR submission, the university user or requesting department (initiator) must still complete the BMR (checking "Scope Development" in Step 1, section 9 of the BMR) and obtain all BMR approvals for FPC to initiate project services.
- d. If the Cost Estimate is unknown at the time of the BMR submission, the university user or requesting department (initiator) must still complete the BMR (checking "Cost Estimation" in Step 1, section 9 of the BMR) and obtain all BMR approvals for FPC to initiate project services.

5. FPC Building Modification Request (BMR) Processing Procedures

- a. If the full scope of work and the cost estimate for the request have been finalized by the initiator at the time of BMR submission, DFPC and VPFA will review for the following:

- (1) project scope meets the cost limitations
- (2) project meets Campus Master Plan and/or other goals
- (3) confirm with the director of business services regarding the use of the space and the modification requested

If the BMR is fully approved and 1-3 are confirmed, the request will be granted and will be assigned to a FPC project manager (PM), who will begin **project execution (Section 8)**.

- b. If the full scope of work for the request have been finalized, *but an estimated cost has not been calculated* by the initiator at the time of BMR submission, DFPC and VPFA will review for the following:

- (1) project meets Campus Master Plan and/or other goals
- (2) confirm with the director of business services regarding the use of the space and the modification requested

If the BMR is fully approved and 1-2 are confirmed, the request will be granted and will be assigned to a FPC project manager (PM), who will begin **project cost estimation (Section 7)**.

- c. If *neither the full scope of work nor the cost estimate* for the request have been finalized by the initiator at the time of BMR submission, DFPC and VPFA will review for the following:

- (1) project meets Campus Master Plan and/or other goals
- (2) confirm with the director of business services regarding the use of the space and the modification requested

If the BMR is fully approved and 1-2 are confirmed, the request will be granted and will be assigned to a FPC project manager (PM), who will begin **project scope development (Section 6)**.

- d. The PM assigned to the project will contact the initiator of the BMR to obtain additional necessary information. The project will be included on the master project list submitted to the administration and the THECB.
- e. The PM will review all requests for all legislative requirements and/or any asbestos, fire, safety, and environmental implications. Any costs for required consultant design, surveying or sampling will be added to the project cost.

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- f. The VPFA may determine if the project is of a size that may be completed FM. The PM will forward the project information to the Director of Facilities Management, who will determine if the project can be completed by FM staff or by an outside contractor, depending of shop schedule and personnel availability.

6. Project Scope Development

- a. The scope of work is the itemization of work tasks that need to be complete to satisfy the concept of the project. The concept of the project define by physical space descriptions and space uses form the project “program”. Other university departments may be involved for project scope development to fully understand the project impact. For instance, if classroom technology is needed, ASU IT will be apprised and consulted.
- b. The scope of work may also alter the space use type, in this instance ASU Space Planning will be apprised and consulted. If utilizing the BMR process, Step 1, section 9 of the BMR needs to be completed to understand these impacts.
- c. If an outside architect/engineering (A/E) firm is required to obtain an initial program, FPC will contact the university user to request funding for A/E support.
- d. The scope of the work will be determined and defined by the university user and the PM so that a reasonable estimate can be made with regard to the project cost.

7. Project Cost Estimating

- a. The university user may collect project pricing, but will need approval and verification by FPC.
- b. The university user shall note that initial pricing cannot be construed as firm price quotation as actual costs may be higher or lower, depending on final design and market pricing. The university user will be advised should final estimates exceed original estimates. Due to rapid changes in the costs of materials and labor, project request estimates should only be considered for a maximum of 90 days before confirmation and adjustments are needed.
- c. The PM will develop estimates by utilizing the following methods:
 - (1) Contractor/Vendor Budget Estimates
 - (2) Previous Cost for Similar Scope
 - (3) Calculated “Means”-based Estimations
- d. The PM will report the cost estimate to the VPFA and the university user.
- e. If the cost estimate is within the funding constraints of the request, the project will continue into execution.
- f. If the cost estimate is not within the funding constraints of the request, the following will be attempted:

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- (1) The PM and the university user can analyze the project under cost reducing exercises known as "Value-Engineering". The primary objective of value engineering is to preserve basic functions and not diminish the quality or function of the item, while concurrently reducing the cost
For example, changing the manufacturer or color of a flooring material may reduce cost, but not sacrifice quality.
- (2) The PM and the university user can identify scope to be eliminated, starting at the least critical to accomplish the concept/program
- (3) The university user can seek additional funding

8. Project Execution

- a. If all funding requirements are met, project execution will not commence until requirements are met by **Final Project Approval (Section 9)**
- b. The DFPC will request a transfer of funds into an FPC account.
- c. The Budget Office, in coordination with the Controller's Office, will process the budget and:
 - (1) Assign the account number(s);
 - (2) Enter data into the financial accounting system;
 - (3) Establish an account history file;
 - (4) Advise the FPC when the budget has been processed and the funds are available; and
 - (5) Distribute copies of the approved budget to the DFPC, Controller's Office, and other offices, as required.
- d. The PM will coordinate all procurement procedures with the DFPC to determine how the project will be sent out for best value proposals. This will be determined by schedule, project scope, project budget and source of the funding and in accordance with [Chapter 51, subchapter T of the Texas Education Code, "Construction and Repair of Permanent Improvements"](#).
- e. If required, the PM will administer all design professional and construction services contracts.
- f. The PM will monitor work performed by contractor and will serve as primary contact throughout a project's construction and warranty phases.
- g. When the PM determines that the project is substantially completed and an acceptance date established, the PM will schedule a formal project closeout meeting to be attended by the contractor, A/E, required university entities, and university user.

9. Project Approval

- a. Projects estimated to cost less than \$2 million for new construction or for major renovations may be approved by the president or the president's designee.
- b. Construction projects in this category that require establishment of a specific budget, regardless of fund source, must be approved by the VPFA and the president.
- c. Projects estimated to cost \$2 million or more for new construction or major renovations require approval by the TTUS Board of Regents (Section 08.01 *Regents' Rules*). Projects estimated to cost \$4 million or more for new construction or for major renovations require approval by the THECB.
 - (1) If changes in the budget of a minor construction project will cause the project to fall within the definition of a major construction project, the new project budget and contract must be taken to the Board of Regents for approval.

10. Project Management

- a. In general, project management guidelines will follow THECB and the TTUS Board of Regents guidelines.
- b. Projects estimated to cost \$2 million or more for new construction or major renovations will usually be managed by FPC in conjunction with the TTUS Vice Chancellor for Facilities Planning and Construction (VCFPC).
 - (1) Occasionally, the management of a project exceeding these limits will be delegated to FPC by the VCFPC with the concurrence of the VPFA and FPC. Oversight and approval of these projects will be by the VCFPC; however, FPC will administer and execute the project and will be responsible for managing the project accounts.
- c. Projects estimated to cost less than \$2 million for new construction or major renovations will normally be managed by the Angelo State University DFPC.
- d. The office assigned project management responsibility will be responsible for the administration and execution of a project including budget preparation, additional approvals, contract administration, financial management, project design, construction, and processing and payment of invoices.

11. Construction Management Fees

- a. FPC will bill for services for all projects for which billing is allowed. The schedule of fees is broken out as follows:
 - (1) For projects that are less than \$50,000, but more than \$1,000, the project will be billed a fee of 10% of the cost.
 - (2) For projects that are less than \$100,000, but are more than \$50,000, the project will be billed a fee of 7.5% of the cost.

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- (3) For projects that are less than \$500,000, but are more than \$100,000, the project will be billed a fee of 6.5% of the cost.
- (4) For projects that are less than \$1,000,000, but are more than \$500,000, the project will be billed a fee of 5.0% of the cost.
- (5) For renovation projects that are less than \$2,000,000, but are more than \$1,000,000, the project will be billed a fee of 4.0% of the cost.
- (6) Project management fees for all projects over \$2,000,000 will be assessed and collected as per TTUS Board of Regents (Section 08.01.9 Regents' Rules).

Attachment A: [Building Modification Form](#)