SUBJECT: APPROVAL PROCEDURES FOR CAPITAL IMPROVEMENT PROJECTS

Background

Capital improvement projects can be categorized in several different ways. One of the more important distinctions is that of source of funds. Major capital projects, including new construction and major remodeling or rehabilitation, are funded primarily by the State of Illinois through the Capital Development Board. Such funds ordinarily result from a request by the University’s Board of Trustees as part of its annual budget request. This request is reviewed by various State agencies including the Board of Higher Education, the Bureau of the Budget, legislative staff, and the Capital Development Board.

Capital projects may also be funded from other sources, including University bonds, State annual operating budget appropriations, locally held funds, gifts, grants and contracts. For some projects, it is also important to distinguish between instructional and non-instructional facilities, projects requiring certificate-of-need approval, projects having a renewal/repair/replacement nature, etc.

Common to all capital projects however, is the need for review, analysis, and approval to ensure that they:

1) conform to the Campus Master Plan, long-range plans for the facility within which they are to be located, and the plans and priorities of the requesting unit;

2) have been properly assessed for their potential impact on the facility and/or other physical systems as well on the functional use of neighboring space;

3) have been properly assessed for their impact on the appearance or aesthetic quality of the facility and/or neighboring space;

4) are programmatically and economically effective in the use of funds; and

5) have a clearly identifiable source of funding.
Procedures

The following procedures apply to all capital improvement projects in all campus facilities initiated outside of the regular, annual capital budget process except (1) projects costing less than $15,000; and (2) renewal and replacement projects funded in the Physical Plant Department operating budget. Guidelines for requesting and reviewing major capital projects will be issued as part of the annual capital budget process.

Initiation

1. Requests for projects may be initiated at any level by the submittal of a standard form, "Request for Capital Improvement Project" (Revised), available from Business Office General Stores (see Exhibit A). The basis for this request is (1) an approved program statement and (2) an impact and cost estimate.

2. The requesting unit should contact the Facilities Planning and Space Management Office (FPSM) in the Office of Planning and Resources Management (OPRM) for consultation in preparing a program statement for the project. The request for assistance in preparing a program statement must be accompanied by a letter or other clear evidence that the project has been described and agreed to in concept by the dean or the director of a unit if the request is initiated below that level.

3. The program statement will include all of the project's parameters including space and movable equipment requirements, budget target/limits, schedule, and general technical needs, e.g., electrical, plumbing, telecommunications. When completed, it must be approved by the dean or unit director.

4. Based upon an approved program statement, the Office of Capital Programs (OCP) will prepare an impact and preliminary cost estimate for the requesting unit. This estimate will explicitly address the proposed projects:

   > conformance to the long-range facility and/or the Campus Master Plan;

   > impact on building systems and/or infrastructure as well as on the functional use of neighboring space;

   > impact on energy conservation and operation and maintenance;

   > impact on the appearance and aesthetic quality of the facility and/or neighboring space;

   > construction/remodeling and the marginal O&M costs, i.e., the net additional costs incurred, if any, if the project is completed; and

   > potential future use of the proposed space and the implication for the proposed project and present and future costs.
5. All requests must identify the source of funds for the project, if known.

6. Each request, with accompanying program statement and cost/impact estimate will be reviewed and approved, disapproved or conditionally approved at each administrative level above the level of origin, up to and including the relevant Vice Chancellor. If the relevant-Vice Chancellor approves a request, conditionally or unconditionally, he/she will forward it the Office of Planning and Resources Management for review and recommendation.

7. Projects which will alter use or external appearances of public spaces, including publicly used spaces within buildings as well as exterior building appearances or public spaces may be reviewed by the campus Design and Aesthetics Review Subcommittee in accordance with campus design guidelines and general aesthetic criteria.

8. Final approval of requests rests with the Chancellor. The Chancellor delegates this authority to the Executive Vice Chancellor unless the Executive Vice Chancellor or Associate Chancellor for Planning and Resources Management requests his review and approval.

9. Review of a capital improvement request shall consider its conformance to unit and campus programmatic plans and priorities as well as to the Master Plan and any existing facility or space utilization plans. It will also consider total project costs, including infrastructure, O&M and energy costs, and future space use, as well as direct construction costs.

10. Final approval of a project shall encompass scope of work, identification of source(s) of funds to cover total project costs, and implementation schedule.

Design/Construction

1. After final approval, a detailed project design, based on the program statement, will be developed cooperatively by the requesting unit and either the Office of Capital Programs or an outside Architectural and Engineering (A&E) firm. This final design should be approved by the requesting unit and OPRM to insure the design fully conforms to the intent of the program. The decision to hire an outside firm depends upon OCP's workload as well as upon special requirements of a particular project. Any change in the program statement which results in significant changes in the scope of work, total cost, or impact of the project must be approved through the same process as the original request.

2. Actual construction of the project may be carried out in one of several ways: (i) physical plant staff; (ii) the Physical Plant Construction Company; (iii) a cost-plus contractor; or (iv) an outside contractor selected through a bidding process. The decision on construction is the responsibility of the Office of Capital Programs in consultation with the Office of Planning and Resources Management in cases where campus funds are involved.
3. The Office of Capital Programs is responsible for obtaining all approvals by the Board of Trustees.

4. A final project budget and implementation schedule will be developed by the Office of Capital Programs based upon the design document or the construction bids.

5. Project management/oversight, including budgeting, monitoring progress, communication with the requesting unit and other affected parties and planning for any temporary or permanent relocation which may be required as a direct consequence of the project, is the responsibility of a project coordinator in the office of Capital Programs. The FPSH will assist in identifying space for temporary or permanent relocations.

6. Any programmatic or technical change orders which will increase the project budget on projects supported in whole or in part by campus funds must have the approval of the FPSH office in OPRM.

Project Completion

1. Upon completion of a project, the Office of Capital Programs shall submit as-built floor plans where applicable to OPRM for space inventory update. In addition, for projects costing $100,000 or more, the Office of Capital Programs will submit a report on actual costs to the Office of Planning and Resources Management (Exhibit B). Unexpended funds should be returned to the original funding source.

2. At the end of each fiscal year, the Office of Planning and Resources Management will compile an annual report of projects approved, funded and/or completed. The Office of Planning and Resources Management is also responsible for maintaining a current space inventory and for its update in light of completed projects.