

Agenda
Board of Regents
Special Meeting
Facilities and Land Management Committee
Tuesday, August 12, 2014, 1:00 p.m. – 5:00 p.m.
Butrovich Building, Room 204
University of Alaska Fairbanks
Fairbanks, Alaska

Committee Members:

Fuller A. Cowell, Committee Chair
Mary K. Hughes, Committee Vice Chair
Dale Anderson

Timothy Brady
Jyotsna Heckman
Patricia Jacobson, Board Chair

I. Call to Order

II. Adoption of Agenda

MOTION

"The Facilities and Land Management Committee adopts the agenda as presented.

I. Call to Order

II. Adoption of Agenda

III. New Business

A. Review Proposed Revisions to Regents' Policy Chapters 05.11 and 05.12

IV. Adjourn

This motion is effective August 12, 2014."

III. New Business

A. Review Proposed Revisions to Regents' Policy Chapters 05.11 and 05.12

Reference 1

Kit Duke, associate vice president of facilities and land management, in conjunction with Jim Lynch, chief procurement officer, Scott Bell, UAF associate vice chancellor of facilities services, Chris Turletes, UAA associate vice chancellor of facilities and campus services, Keith Gerken, UAS director of facilities services, and administration are proposing revisions to Regents' Policy chapters 05.11 and 05.12. The purpose of the revisions is to bring the policies into alignment with current processes and to provide clarity of terms and intent. The policy revisions and the guidelines have been reviewed by UA Office of the General Counsel.

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Reference 1 contains the proposed policy revisions and the summary guidance for evaluation of the proposed revisions for each policy chapter. Kit Duke, associate vice president of facilities and land management, will present the proposal documents to the members of the committee.

IV. Adjourn

Summary and Guidance for Evaluation of Proposed Policy Changes

REGENTS' POLICY PART V – FINANCE AND BUSINESS MANAGEMENT Chapter 05.11 – Real Property

The policy changes are meant to address state statute changes and improve clarity:

PO5.11.010. Purpose.

No changes proposed.

PO5.11.020. Definitions.

Lists key definitions governing how to collect data, spend money and think about facilities. Changes made ensure consistency of language and intent with regard to industry practice, university and system office academic and strategic planning, and external communications with OMB and the legislature.

- A. Development Plan
- B. Development Project
- C. Disposal Plan
- D. Educational Facilities
- E. Educational Property
- F. Investment Property
- G. Trust Land
- H. University Real

Proposed wording change to definitions B, C, and G for added clarity.

PO5.11.030. Fiduciary Responsibility.

Designates the chief financial officer as the sole authority for delegation of approval authority to others.

No changes proposed.

PO5.12.040. Classification of Real Property.

No changes proposed.

PO5.11.041. Plans and Reports for University Real Property.

No changes proposed.

PO5.11.042. Development Plan and Disposal Plan Notice Requirements.

Conforms this section to be consistent with the Supreme Court ruling which overturned the detailed requirements of this section originally contained in AS 14.40.366. The only remaining requirement in law is that the university must provide public notice. Removing this detail that is no longer required allows the administration to have a more responsive and cost effective public notice process as appropriate to each transaction.

*Comment by Mari Montgomery:
the explicit details for notice could be administrative requirements and don't need to be in policy. As a general comment, the publishing of development and disposal plans and direct noticing of legislators and municipalities was mandated under AS 14.40.365 (overturned). If the Administration/Regents wish to simplify the real property noticing process, the only law left on the books is that the University must provide public notice. Prior to 2005, the University had a far less time-consuming and expensive public noticing process, allowing for more flexibility (based on the scope of the transaction) and the ability to respond more quickly to opportunities. That said, the Administration/Regents may want to keep the development/disposal plan noticing process as is, to insure a uniform public participation process for all University real property transactions."*

PO5.11.043. Offer of First Refusal to Nearest Municipality Pursuant to AS.14.40.366.

Proposed change makes the Office of Land Management responsible for this administrative duty. This whole provision might be able to be removed as a result of the courts arguably striking down portions of AS14.40.366.

PO5.11.044. Fair Market Value and Other Considerations.

Proposed change clarifies that this analysis is the responsibility of the administration, not just the system office chief finance officer.

PO5.11.050. Real Property Acquisitions.

No changes proposed, one sentence is rearranged for improved clarity.

PO5.11.060. Negotiation, Approval and Execution of Real Property Transactions.

No changes proposed, statute reference added for clarity.

REGENTS' POLICY
PART V – FINANCE AND BUSINESS MANAGEMENT
Chapter 05.11 – Real Property

P05.11.010. Purpose and Scope.

- A. This chapter establishes guidelines for the prudent management, including trust management, and use of all university real property.
- B. Except as provided in C. of this section, this policy applies to all real property owned by the university or in which the university has a substantial beneficial interest.
- C. This policy does not apply to university acquisitions of certain space leasehold interests that are administered in accordance with university regulation relating to procurement or to the development of educational facilities. Any third party use of such facilities is subject to this chapter.

(06-08-06)

P05.11.020. Definitions.

In this chapter, unless the context requires otherwise,

- A. “development plan” means a brief, general description of the major actions to be taken by or on behalf of the university as part of a development project, to include location, type of development, approximate acreage, and property map, and any amendments to the development plan.
- B. “development project” means a substantial, purposeful alteration of investment property. “Development project” includes activities occurring on investment property such as subdivision and related construction activities; commercial timber harvest, other than to clear the land or for personal use; materials extraction for commercial purposes; oil and gas leasing, exploration or development; mining leasing, exploration or development; or construction of significant structures, not including repairs, maintenance, expansion, or upgrade which does not materially change the essential character of the structure. ~~“Development project” does not include the~~ The grant of an easement or right-of-way or related construction activities; the development of educational facilities; activities to enhance the value of investment property where such activities are minor or incidental to the development of investment property; ~~including such as but not limited to~~ clearing land, investigating soils, incidental filling, drilling water wells, constructing driveways, installing utilities, landscaping, ~~and or~~ minor construction; ~~and~~ “Development project” also does not include environmental remediation or other actions ~~that are~~ specifically required by government agencies are not considered development projects for purposes of this section.
- C. “disposal plan” means a brief, general description ~~of university real property including~~ location, acreage, property map, minimum price and the terms and conditions of the disposal, if available, of the real property for which a sale, lease, exchange or transfer of

interest, excluding easements and rights-of-way, is proposed by the university, ~~which includes location, acreage, property map, minimum price, if appropriate, the terms and conditions of the disposal, and any amendments to the disposal plan.~~

- D. “educational facilities” means campus facilities, buildings, improvements, fixtures and major equipment items situated on educational property.
- E. “educational property” means all university real property designated for education, research, related support, or administrative purposes.
- F. “investment property” means all university real property not designated as educational property.
- G. “trust land” means all land and interests in land directly or indirectly acquired in connection with federal grants under the March 4, 1915 and January 29, 1929 Acts of Congress ~~and pursuant to AS 14.40.365~~, or otherwise received by or granted to the board for purposes of funding the land-grant endowment ~~trust fund~~ established pursuant to the 1929 Act of Congress and AS 14.40.400. For purposes of this definition, “indirectly acquired” land and interests in land include replacement land acquired from the State of Alaska and land exchanged for trust land. The ~~board~~Board of Regents, as a constitutionally created instrumentality of the State of Alaska, has been named by the legislature as trustee and holds such land in trust for the exclusive benefit of the university.
- H. “university real property” means all land and interests in land of any kind or nature, including all appurtenances, where title is held by either the board or the university, whether acquired through purchase, grant, gift, exchange, or other means.

(06-08-06)

P05.11.030. Fiduciary Responsibility.

- A. The board affirms its fiduciary responsibility to prudently manage all university real property for the exclusive benefit of the university, subject to restrictions imposed by law, conveyance documents or gift instruments.
- B. All trust land shall be managed in accordance with sound trust management principles, consistent with the specific fiduciary duties and legal obligations applicable to such land. The chief finance officer is charged with the responsibility of managing trust land in a manner consistent with the fiduciary duties and legal obligations of the board, and shall be directly accountable to the board for the management of such land.

(06-08-06)

P05.11.040. Classification of Real Property.

The chief finance officer shall designate which university real property parcels will be managed as investment property and which will be managed as educational property. Such designations will not preclude the compatible use of such university real property parcels for both educational and investment purposes. The president will resolve any disputes regarding classification of properties for investment or educational purposes.

P05.11.041. Plans and Reports for University Real Property.

The ~~chief finance officer~~Office of Land Management shall:

- A. develop, maintain, and periodically update a general strategic plan for the comprehensive management and development of investment property that includes a statement of the goals and objectives to be accomplished;
- B. prepare and publish proposed development plans that describe development projects being considered for university real property;
- C. prepare and publish proposed disposal plans that describe university real property parcels being considered for disposal by sale, lease, exchange or transfer of interest; and
- D. prepare an annual report for the board that contains a summary of the financial performance of the university's land management operations for the prior fiscal year including a summary of receipts, land sales and acquisitions, and land-grant endowment trust fund balances. The report shall distinguish between receipts from trust land and from all other university real property.

(06-08-06)

P05.11.042. Development Plan and Disposal Plan Notice Requirements.

The ~~chief finance officer~~Office of Land Management shall provide public notice and seek public comment prior to approval of development plans and disposal plans. Notice shall be provided not less than 30 days before the proposed action. ~~and such notice shall be:~~

~~A. sent to local legislators, municipalities, and legislative information offices in the vicinity of the action and at other locations as the chief finance officer may designate;~~

~~B. published in newspapers of general circulation in the vicinity of the proposed action at least once each week for two consecutive weeks; and~~

~~C. published on the State of Alaska Online Public Notice Internet Website and the University of Alaska Land Management Internet Website.~~

(06-08-06)

P05.11.043. Offer of First Refusal to Nearest Municipality Pursuant to AS 14.40.366.

- A. Before the university offers a parcel of land for sale that was acquired under AS 14.40.365, the ~~chief finance officer~~Office of Land Management will notify the closest municipality of the intention to sell the parcel of land and will, pursuant to AS 14.40.366, offer to such municipality the right to purchase the parcel of land on the terms and conditions applicable to the offering, for a period of 30 days.

- B. As used in this section, “offers a parcel of land for sale” means the offer to sell the fee title interest in the surface estate of a parcel of land. It does not include the offer to lease or develop such land, or the sale, lease, or development of natural resources, including without limitation timber, sand, gravel or other materials, coal, ores, minerals, fissionable materials, geothermal resources, and fossils, oil and gas on or in such land. It also does not include the issuance of any permit, easement, license, contract, right-of-way, or other partial interest in the surface estate of such land.

(06-08-06)

P05.11.044. Fair Market Value and Other Considerations.

In exercising its fiduciary responsibility, the board must administer university real property for the exclusive benefit of the university. In the absence of conflict with the board’s fiduciary duties and responsibilities, the ~~chief finance officer~~administration will consider the following principles in managing and developing university real property:

- A. Fair Market Value.

Disposals of university real property interests shall be at not less than fair market value, and acquisitions of real property or interests shall be at not more than fair market value, unless a direct and substantial benefit to the university can be documented, such as when adjacent university property will become more accessible, marketable, or valuable due to increased availability of utilities or access, or when the transaction offers other tangible benefits to the university. Reasonable fees may be established for routine transactions such as permits and temporary uses of university real property.

- B. Economic Feasibility.

Development projects shall not be undertaken unless the estimated return exceeds the estimated cost of development in an amount commensurate with the risk involved or the project will position the university to benefit from future opportunities.

- C. Legally and Environmentally Sound Development.

University real property shall be developed consistent with local zoning and platting ordinances and in an environmentally responsible manner, consistent with applicable environmental laws and regulations, including those governing wetlands, water and wastewater, forests, wildlife and habitat, and the coastal zone.

- D. Jobs for Alaskans.

To the extent economically feasible and prudent, development projects will provide an opportunity for the creation of jobs for Alaskans by encouraging development of in-state value-added industries.

- E. Access Through University Real Property.

Subject to receipt of acceptable indemnification or tort immunity, the chief finance officer shall:

1. recognize, or provide alternative access for, RS 2477 rights-of-way and existing state-identified historic trails that cross university real property; and
2. consider the grant of access easements and rights-of-way at fair market value, including any diminution of value, provided such easements and rights-of-way do not interfere with the ability to develop or use such real property or other university real property.

F. Reasonable Public Uses of University Real Property.

To the extent practicable, the university shall permit reasonable activities of the public on university real property that do not interfere with the university's use or the management of such real property.

G. Compatible Research and Educational Uses of Investment Property.

Investment property shall be made available to faculty and staff for research and educational purposes provided such use is compatible with development plans and disposal plans and approved by the chief finance officer. Academic units will be responsible for all costs and liabilities associated with such research/educational use.

(06-08-06)

P05.11.050. Real Property Acquisitions.

A. Campus Land Acquisitions.

In order to provide an adequate land base to support current and future campus programs, the chief finance officer shall pursue strategic land acquisitions that meet the goals of the university's educational mission. To facilitate such real property acquisitions, the chief finance officer shall consider relevant campus land acquisition plans, as approved by the board as part of campus master plans.

B. Federal and State Land Grants.

~~To rectify inequities in the land grants to the State of Alaska compared to other states for their universities, the~~ The board will seek to acquire additional real property through state and federal grants in order to rectify inequities in the land grants to the State of Alaska compared to other states for their universities. When selecting new grant lands, the chief finance officer will attempt to acquire parcels where the selection:

1. is consistent with and enhances the goals of the university's educational mission;
2. is located near communities that have a need for expansion and economic development, provided that such selections do not conflict with selections under the Municipal Entitlements Act;

3. enhances or diversifies the university real property portfolio; and/or
4. has potential for residential, recreational or commercial development, timber harvesting, materials extraction, oil and gas development or mineral development.

C. Other Real Property Acquisitions.

The chief finance officer shall consider acquisitions or exchanges of property adjacent to existing university real property, when such property consolidates university real property holdings or enhances the access or development potential of other university real property. When economically feasible, and in the university's best interests, the chief finance officer may acquire or invest in real property that will enhance the university real property portfolio.

(06-08-06)

P05.11.060. Negotiation, Approval, and Execution of University Real Property Transactions.

All university real property transactions and agreements are subject to the following:

- A. Only individuals authorized under AS 36.30 to execute space leases or in writing by the chief finance officer to negotiate real property transactions may do so on behalf of the university or the board. These real property transactions include, without limitation, any transaction involving lease, sale, cooperative development, right of occupancy, use, permit, license, or contract relating to any real property, or any other real property transaction whether or not similar to the foregoing. All other persons or university officials discussing prospective real property transactions with potential third parties must disclose that they do not have authorization to negotiate or commit the university or the board to any transactions, terms, conditions, or diminution of an interest in real property.
- B. The board shall approve:
 1. strategic plans for the management and development of Investment Property;
 2. development plans that consist of:
 - a. subdivisions that will result in the development of 10 or more lots;
 - b. timber sales, unless the president determines the sale will have minimal impact;
 - c. material extractions that are anticipated to result in the sale of 100,000 cubic yards or more of material from a new source; or
 - d. oil and gas leases and mining leases encompassing 5,000 or more acres;
 3. development projects that are expected to result in disbursements of \$1,000,000 or more in value;

4. real property transactions that have not been approved as part of a development plan and are expected to result in receipts or disbursements of \$1,000,000 or more in value; and
 5. Real property transactions that require the subordination of an interest in university real property of \$1,000,000 or more in value.
- C. The chief finance officer or the officer's designee shall approve the following:
1. disposal plans;
 2. development plans that do not require the approval of the board ;
 3. development projects that are expected to result in disbursements of not more than \$1,000,000 in value;
 4. real property transactions that have been approved by the board as part of a development plan or are expected to result in receipts or disbursements of not more than \$1,000,000 in value;
 5. Real property transactions that require the subordination of an interest in university real property of not more than \$1,000,000 in value; and
 6. Project cost increases for development projects previously approved by the board, not to exceed 20 percent of the original project cost estimate.
- D. The chief finance officer is authorized to execute all properly approved real property transactions and may delegate signatory authority to other university officials, provided that any such delegation shall be in writing. Any further delegation must be approved, in writing, by the chief finance officer.

(06-08-06)

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- B. As used in this section, "offers a parcel of land for sale" means the offer to sell the fee title interest in the surface estate of a parcel of land. It does not include the offer to lease or develop such land, or the sale, lease, or development of natural resources, including without limitation timber, sand, gravel or other materials, coal, ores, minerals, fissionable materials, geothermal resources, and fossils, oil and gas on or in such land. It also does not include the issuance of any permit, easement, license, contract, right-of-way, or other partial interest in the surface estate of such land.

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2. consider the grant of access easements and rights-of-way at fair market value, including any diminution of value, provided such easements and rights-of-way do not interfere with the ability to develop or use such real property or other university real property.

F. Reasonable Public Uses of University Real Property.

To the extent practicable, the university shall permit reasonable activities of the public on university real property that do not interfere with the university's use or the management of such real property.

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Investment property shall be made available to faculty and staff for research and educational purposes provided such use is compatible with development plans and disposal plans and approved by the chief finance officer. Academic units will be responsible for all costs and liabilities associated with such research/educational use.

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1. is consistent with and enhances the goals of the university's educational mission;
2. is located near communities that have a need for expansion and economic development, provided that such selections do not conflict with selections under the Municipal Entitlements Act;
3. enhances or diversifies the university real property portfolio; or
4. has potential for residential, recreational or commercial development, timber harvesting, materials extraction, oil and gas development or mineral development.

C. Other Real Property Acquisitions.

The chief finance officer shall consider acquisitions or exchanges of property adjacent to existing university real property, when such property consolidates university real property holdings or enhances the access or development potential of other university real property. When economically feasible, and in the university's best interests, the chief finance officer may acquire or invest in real property that will enhance the university real property portfolio.

P05.11.060. Negotiation, Approval, and Execution of University Real Property Transactions.

All university real property transactions and agreements are subject to the following:

- A. Only individuals authorized under AS 36.30 to execute space leases or in writing by the chief finance officer to negotiate real property transactions may do so on behalf of the university or the board. These real property transactions include, without limitation, any transaction involving lease, sale, cooperative development, right of occupancy, use, permit, license, or contract relating to any real property, or any other real property transaction whether or not similar to the foregoing. All other persons or university officials discussing prospective real property transactions with potential third parties must disclose that they do not have authorization to negotiate or commit the university or the board to any transactions, terms, conditions, or diminution of an interest in real property.
- B. The board shall approve:
 - 1. strategic plans for the management and development of Investment Property;
 - 2. development plans that consist of:
 - a. subdivisions that will result in the development of 10 or more lots;
 - b. timber sales, unless the president determines the sale will have minimal impact;
 - c. material extractions that are anticipated to result in the sale of 100,000 cubic yards or more of material from a new source; or
 - d. oil and gas leases and mining leases encompassing 5,000 or more acres;
 - 3. development projects that are expected to result in disbursements of \$1,000,000 or more in value;
 - 4. real property transactions that have not been approved as part of a development plan and are expected to result in receipts or disbursements of \$1,000,000 or more in value; and
 - 5. Real property transactions that require the subordination of an interest in university real property of \$1,000,000 or more in value.
- C. The chief finance officer or the officer's designee shall approve the following:
 - 1. disposal plans;
 - 2. development plans that do not require the approval of the board ;

3. development projects that are expected to result in disbursements of not more than \$1,000,000 in value;
 4. real property transactions that have been approved by the board as part of a development plan or are expected to result in receipts or disbursements of not more than \$1,000,000 in value;
 5. Real property transactions that require the subordination of an interest in university real property of not more than \$1,000,000 in value; and
 6. Project cost increases for development projects previously approved by the board, not to exceed 20 percent of the original project cost estimate.
- D. The chief finance officer is authorized to execute all properly approved real property transactions and may delegate signatory authority to other university officials, provided that any such delegation shall be in writing. Any further delegation must be approved, in writing, by the chief finance officer.

(06-08-06)

Summary and Guidance for BOR Evaluation of Proposed Policy Changes

REGENTS' POLICY PART V – FINANCE AND BUSINESS MANAGEMENT Chapter 05.12 - Capital Planning and Facilities Management

The policy changes are meant to address board concerns and ensure that:

1. PRP process is fully implemented,
2. mission drives investment,
3. project development implements Board investment decisions, and
4. maintenance and operations expenditures sustain and extend the life of university buildings and infrastructure.

With the intent to achieve:

1. **Legacy.** Support BOR focus on legacy decisions and stewardship of assets.
2. **Alignment.** Integrate the UA Mission, SAF effect statements and the University Program Resource Planning Process with the campus planning, facilities delivery and operation functions and policy.
3. **Discipline.** Create an objective process to prioritize capital facility investment and development system-wide; to systematically address the deferred maintenance backlog; to establish the University Building Fund as a working tool; and, to deliver Accountability to Alaska's People.
4. **Collaboration.** Integrate academic, research and student support with facilities development.
5. **Clarity.** Develop consistent language to align policy with internal UA strategic guidance, industry practice, and required reporting.
6. **Usability.** Reorganize the policy to reflect the logical sequence of planning, budgeting, and project approvals and delivery. Eliminate duplication in code and regulation.
7. **Efficiency.** Reshape BOR approval authority levels to emphasize those actions/decisions that have significant impact on the UA System of campuses. Eliminate repetitive approval processes from Board focus. Bundle maintenance projects for one annual BOR approval.

PO5.12.010. Purpose.

- A. Demonstrates the focus on stewardship and legacy investments related to systematic planning and management of resources for facilities and infrastructure.
- B. Describes the comprehensive and integrated system of facilities planning driven by academic and student support needs, through development, operations and maintenance.
- C. Notes the driving role of UA and campus strategic goals, academic and programmatic needs in shaping facilities to be implemented through each MAU. Requires the system office to hold responsibility for policies, processes, due diligence and oversight.

- D. Speaks to the process of facilities need identification through rigorous evaluation of academic program and other mission support, moving from the universities through the system office to the board.
- E. Adds the requirement to consider life cycle costs to ensure cost effectiveness from delivery through operations.
- F. Notes the necessity and the process for collection of funds to support capital project planning through surcharges and fees.

PO5.12.020. Definitions.

Lists key definitions governing how to collect data, spend money and think about facilities. Changes made ensure consistency of language and intent with regard to industry practice, university and system office academic and strategic planning, and external communications with OMB and the legislature. The additional definitions add clarity and consistency.

- A. Alterations and improvements (*added term*)
- B. Campus master plan
- C. Capital project
- D. Deferred maintenance and renewal (DM&R)
- E. Long-range capital plan
- F. Maintenance and repair (M&R) (*To ensure consistent statistical reporting, this excludes tenant improvements and new construction. The definition in and of itself does not preclude those work items being performed within same project.*)
- G. Material change(*adds schedule delay as an element*)
- H. New construction
- I. Operating cost
- J. Other cost considerations
- K. Program resource planning process(*added term*)
- L. Mission area analysis(*added term*)
- M. Statement of need(*added term*)
- N. Statement of requirements(*added term*)
- O. Project agreement(*adds requirement to document variances*)
- P. Project budget
- Q. Renewal and replacement (R&R)
- R. Reportable leased facilities
- S. Significant change
(*Clarifications made to distinguish between significant and material change – significant requires **informing** the appropriate approval level, while material requires **obtaining approval.***)
- T. Strategic planning(*added term*)
- U. Total project cost
- V. Variance

PO5.12.030. Delegation of Authority.

Designates the system office chief finance officer and the system office chief facilities officer to delegate approval authority to others.

PO5.12.040. Program Resource Planning Process.

(New section – added to incorporate the PRP process adopted at November 2011 FLMC meeting into board policy.)

- A. Defines the intent of planning to ensure that the university mission drives capital planning and project development, and to integrate academic, research and student programs with budget and facilities planning and delivery.
- B. Defines the process of planning as collaboration between university administrators and academic leadership responding to needs of academic, research, student support activities, or campus infrastructure.

PO5.12.050. Campus Master Plans

(Paragraphs in this section were re-ordered and summarized for clarity)

- A. Defines the board's intent and purpose for campus master plans as an integrated framework for investment decisions and implementation of the UA, university and campus academic, strategic and capital plans.
- B. Defines the function
- C. Outlines the contents of a campus master plan designed to identify short and long term investment priorities for facilities and infrastructure in support of the university mission.
- D. Specifies the development of a campus master plan as collaborative and inclusive; with review and updates on a 5-7 year cycle; and permits revision and amendment with board approval.

PO5.12.060. Capital Planning and Budget Request.

(Aligns long-range plan development and reporting with state requirements and eliminates duplication in board policy.)

Requires each university to prepare an annual long-range capital plan update, including annual cost impacts for any project included. The plans will be consolidated and reviewed within the system's capital and operating budget submission process.

PO5.12.061. Capital Project Development: Capital Expenditure Plan Approval.

(Revised to align with current practices.)

- A. Maintenance projects, including DM&R, will be approved as an annual program by the Board at the June meeting. Changes must be approved by the system office chief finance officer with Board notice.
(We have been using this approach since FY13.)
- B. Approvals for transfer of funding will be determined by the system office chief finance officer.

PO5.12.062. Capital Budgets, Capital Appropriations and Spending Authority.

(Minor edits for clarification of intent.)

- A. No spending for capital improvement projects will occur unless authorized in accordance with this chapter.
- B. Reimbursement of any funds advanced for preliminary planning and design is subject to approval of the system office chief finance officer.
- C. Award of construction contracts for capital projects require sufficient funding on hand unless approved by the system office chief finance officer.

PO5.12.070. Capital Project Development: General.

- A. Outlines the collaborative approach and sequence of approvals and reports for all capital projects greater than \$1 million.
 - a. Preliminary Administrative Approval
 - b. Formal Project Approval
 - c. Schematic Design Approval
 - d. Project Change Approval
 - e. Project Completion Budget Status/Approval (?)
(Added to reflect FLMC request for a report soon after project acceptance so that FLMC can offer input for spending any remaining project fund balance.)
 - f. Final Project Report
- B. Requires regular construction in progress reports for all projects.
- C. Defines the range of Total Project Cost for Major Maintenance Projects that will require Schematic Design Approval as between \$0.5 million and \$5 million. All projects over \$5 million Total Project Cost require all approvals and reporting.

PO5.12.071. Capital Project Development: Preliminary Administrative Approval.

QUESTION: do regents want to change the limits as recommended or to a different amount?

- A. Catalogs the requirements for provisional approval of projects to support planning and development of project agreements aligned with programmatic analysis and need statement. This approval is prerequisite to inclusion in the long-range capital plan.
- B. Defines the level of approval required for preliminary administrative approval by the president as total project cost greater than \$5.0 million (*currently \$2 million*); and by the system office chief finance officer or designee as total project cost of \$5.0 million or less.
- C. Provides for university commitment of up to \$250,000 in unrestricted funds for planning prior to requesting preliminary administrative approval.
(This limit is currently \$50,000 with the option for the chief finance officer to permit up to \$250,000 prior to getting PAA. This change allows the respective university administration to commit these funds and removes the requirement for the chief finance officer to allow an expenditure over \$50,000.)

PO5.12.072. Capital Project Development: Formal Project Approval.

(Edits are meant to maximize board's opportunity to provide cost effective influence/input)

- A. Defines formal project approval requirements including project agreement, cost and funding plan, project delivery method, public art, business plan and life cycle costs. Allows a project to proceed through schematic design and to be included in the university's capital budget request. Requires formal project approval for all projects with total project cost over \$10.0 million.
Second paragraph adds language to reflect requirements of PRP process, and changes the size of project that requires FPA for inclusion in capital request. This applies to new construction, expansion and whole building R&R, but assumes that advance funding can be obtained to achieve this level of project development.
QUESTION: Do regents want to raise limit from \$2.5M to \$5.0 M?
- B. Notes that all multi-phased projects should include all planned project phases at this level of approval.
(Incorporates current FLMC preferences and administration practice.)

- C. Defines the level of approval associated with total project costs of greater than \$5.0 million as the Board, with committee recommendation; total project cost greater than \$2.0 million and not more than \$5.0 million as the Board committee or its Chair as delegated; total project cost of \$2.0 million or less as the system office chief finance officer.

PO5.12.073. Capital Project Development: Schematic Design Approval.

(Board input at this stage is less cost effective, but this is the last opportunity for board to ensure their expectations for a project are met.)

- A. Defines schematic design approval noting the mandatory requirement to implement the adopted campus master plan.
- B. Approves the proposed cost of the funded phase(s) of the project and authorizes design development, bid and award and construction unless there is no material change. Material changes require approval through PO5.12.076.
- C. Outlines the requirements for schematic design approval request package, adding site development, functional relationship of the interior spaces, exterior design, energy management and space utilization and design efficiency.
- D. Notes that the process requires identification of any significant or material changes since the formal project approval.
- E. Defines the schematic design approval levels as: the board based on committee recommendation for total project cost greater than \$5.0 million; the board committee or its designated Chair for total project cost over \$2.0 million and not more than \$5.0 million; the system office chief finance officer for total project cost of \$2.0 million or less.

PO5.12.074. Capital Project Development: Approval Levels for Project Changes in Funding Sources, Total Project Cost, Scope or Schedule Subsequent to Schematic Design Approvals.

(Adds schedule as a factor requiring change approval.)

Authorizes the chief finance officer to determine approval levels for changes noted.

QUESTION: *do regents want to increase from \$1.0 M to \$2.5 M as proposed in paragraph A?*

- A. Approval by the board committee responsible for facilities is required for changes with an estimated project budget impact in excess of the lesser of 1) greater than 25% of total project cost, or 2) greater than \$2.5 million, or with schedule delay of one academic year or more.
- B. Approval by the system office chief finance officer is required for changes greater than \$0.5 million that do not meet the conditions of A, above.

(Adds a lesser approval level for administration system office chief finance officer)

PO5.12.075. Capital Project Development: Construction in Progress Reporting.

Jim Lynch comment: recommend changing decisions to chief facilities officer since the chief finance officer cannot be expected to have sufficient knowledge or understanding of the projects to make responsible determinations in the area.

Changes align with the current practice for administrative reporting, currently preferred by regents.

Current practice is that we report on projects over \$250,000 for community campuses and \$500,000 for main campuses. If the proposed limits had been in effect for the last five years, the result would have been that 27 fewer out of 43 main campus projects would have been reported on. If the policy had been followed as it currently exists, 18 out of 54 community campus projects would not have been reported on.

- A. Requires regular reporting for all projects with total project cost greater than \$250,000 for community campuses, and \$1.0 million for main campuses, or for projects designated by the system office chief facilities officer to be of interest to the board.
- B. Requires the system office chief facilities officer to report on the construction in progress at each regular board meeting, for any project that required formal project approval by the board facilities committee or higher level, and other projects designated by the system office chief facilities officer to be of interest to the board.

PO5.12.076. Capital Project Development: Post-Occupancy and Final Project Reports.

(Adds a new requirement desired by regents to allow them to influence expenditure of project balances.)

- A. Requires filing of a post-occupancy report not more than 90 days after beginning occupancy of Board-approved project with total project cost of more than \$5.0 million. Notes the requirement to identify remaining fund balances and priorities for expending, significant changes in scope or costs, or other significant circumstances.
- B. Requires filing of a final project report within 90 days after the end of the warranty period for all Board-approved projects of more than \$5.0 million. The final report updates the post-occupancy report, identifies variances and notes significant circumstances including lessons learned.
- C. Requires the university chief facilities administrator to prepare a final project report to close out projects that have been abandoned or discontinued or consolidated with another project.

PO5.12.077. Capital Project Development: Approval Levels for Projects That Have Not Been Subject to the Defined Planning and Approval Process.

QUESTION: Do regents want to change the limits as recommended, or differently?

- A. Defines approval levels for projects outside the normal processes as the board, with recommendation from the board committee for facilities, for projects with total project cost greater than \$5.0 million; the board committee for facilities or its designated Chair, for projects in excess of \$2.0 million and less than \$5.0 million; the system office chief finance officer for projects of \$2.0 million or less.
- B. Provides the authority for the system office chief finance officer to determine approvals required for multiple projects that are bundled and exceed the normal approval levels, and for multiple projects funded through a single appropriations.
- C. Requires that split appropriations be approved by system office chief finance officer.

PO5.12.080. Operations and Maintenance.

(Clarifies that expenses for tenant improvements are not categorized as maintenance investments.)

- A. Identifies budgets for full funding of annual maintenance and repair (M&R) as the annual operations budget; for facility renewal and replacement (R&R) and deferred renewal projects as the capital budget request and long range capital plan; and, remodeling will be reported as A&I.
- B. Requires each university chief facilities officer to prepare an annual maintenance plan, and to provide and report on progress to the chief finance officer.
(Adds a new requirement which aligns with university use of a maintenance management system to track maintenance investment and work performed for buildings and infrastructure. This will be critical to implementation of University Building Fund.)
- C. Requires the university chief finance officer to provide background information annually for each university, including prior fiscal year's operating and capital expenditures for M&R and R&R; current year's budget for operating and capital commitments to M&R and R&R; current annual calculated need for M&R and R&R; current estimate of accumulated deferred renewal; status of ongoing deferred renewal projects.
- D. Sets the basis of annual R&R funding as use and occupancy. Non-university or university auxiliaries that lease and/or substantially use university facilities will fully fund annual R&R for those facilities unless otherwise determined by university chief finance officer.

PO5.12.090. Naming of Campus Facilities: Formal Naming of Campus Facilities and Infrastructure.

QUESTION: while consideration of this comment does not impact adoption of these changes, the regents may want to provide input on VP Carla Beam's comment. "There needs to be combined guidance for naming and fund raising expectations for buildings and spaces within buildings, as well as other facilities or outdoor spaces. Perhaps integrate with sections P05.12.091 –P 05.12.092."

- A. Requires that official naming of all significant buildings be approved by the board. Outlines categories of eligible naming sources.
- B. Requires each chancellor to establish a committee to make board recommendations on the naming of its facilities.
- C. Establishes the board-approved naming as permanent for the life of the facility or improvement, unless otherwise directed by motion of the board.
- D. Authorizes the president to determine which namings are considered as significant for approval by the board.
- E. Authorizes the board to rename any facility when it is in the best interest of the university.

PO5.12.091. Functional, Descriptive or Directional Naming of Facilities and Infrastructure Improvements.

(No Substantive Changes.)

Authorizes each university to determine functional, descriptive or directional naming.

PO5.12.092. Contractual Opportunities for Naming Facilities and Improvements.

(No Substantive Changes.)

Requires naming through commercial contracts to comply with PO5.14.080 and R05.14.080.

These policies have been rearranged, but the wording has not been changed.

- **PO5.12.100. Public Use of Facilities.**
- **PO5.12.101. Campus Solicitation.**
- **PO5.12.102. Smoking in University of Alaska Buildings.**
- **PO5.12.103. Alcoholic Beverages on Campus.**
- **PO5.12.104. Marijuana and Other Illegal Substances.**

PO5.12.110. Art in University Facilities and Spaces.

- A. Outlines the university goals for public art in the university and notes alignment with the Alaska State Council on the Arts.
- B. Requires a public art line item ranging from one-half to one percent of the construction budget in the project budget for each capital project.
(Reformats item A.5 to emphasize the requirement for budgeting for public art.)
- C. Requires selection of artwork through capital appropriations to be determined by an autonomous committee appointed by the Chancellor of the project location. Requires acceptance of donations of major works of art unless specifically prohibited by the funding authority.
- D. Authorizes each appropriate chancellor to make provisions for management and maintenance of the public art collection.

(Adds new item. Intent is to ensure adequate management of the collection.)

REGENTS' POLICY
PART V – FINANCE AND BUSINESS MANAGEMENT
Chapter 05.12 - Capital Planning and Facilities Management

P05.12.010. ~~Introduction and~~ Purpose.

A. ~~The purpose of this policy is to promote excellent stewardship for buildings, infrastructure and other facilities at each of the University of Alaska campuses: to set forth an expectation for achieving sustained funding that assures preservation of the investment in facilities and extends building life and usefulness; and to establish planning processes that provide accurate data for decision making and effective management.~~

A.B. A comprehensive program of facilities planning, capital budgeting and project development, and facilities operations and maintenance is essential for the university to effectively serve present and future students, faculty, ~~students~~ and staff. Facilities planning, design, construction, management, and operation functions shall be systematically performed in accordance with regents' policy, university regulation, and guidelines as may be authorized by the chief finance officer.

~~B.~~ ~~The purpose of this chapter in conjunction with other planning processes and operating procedures is to:~~

- ~~1. provide systematic processes for management of the university's largest physical resource, which must be properly maintained in order to adequately support its various missions;~~
- ~~2. provide a rational methodology for planning, budgeting, development, implementation, and monitoring of capital improvement programs;~~
- ~~3. provide healthy and safe space environments;~~
- ~~4. ensure longer life expectancy of campus facilities;~~
- ~~5. ensure economy and efficiency of operations;~~
- ~~6. establish a process to identify priorities for new constructions, remodeling, renovation, adaptation, and renewal;~~
- ~~7. establish a process to systematically determine priorities for spending for new construction, operating and maintenance funds;~~
- ~~8. ensure that facilities and space planning addresses the current space available, its use, suitability for such use, physical condition, and current and future needs; and~~
- ~~9. ensure that the facilities management processes respond to regents' policy and regulatory requirements in a cost effective manner.~~

D.C. In establishing this policy, the board expects that the UA strategic and academic guidance as well as the academic and programmatic needs of each campus will drive the respective

facilities functions and has adopted the Program Resource Planning Process to guide that effort; that each of the respective universities MAU will take ownership of and implement those facility functions and capital planning; and ~~that~~ the system office will be responsible for development of policies, procedures, and processes for coordination of systemwide studies, ~~and for~~ due-diligence reviews and oversight on capital projects including a review of ~~selected~~ projects prior to advancing a project through the various stages of project development and approval. ~~The chief finance officer may delegate these authorities and responsibilities.~~

~~D.C. Capital planning and large capital improvement projects are initiated by each MAU and reviewed and evaluated by the system office administration B before being recommended presented to the board or other authority for approval, capital planning and large capital improvement projects shall be presented to the system office chief facilities officer for review and processing. Facilities planning, design, construction, management, and operation functions shall be performed in accordance with regents' policy, university regulation, and processes and procedures as may be authorized by the chief finance officer.~~

E. Capital projects for the creation, renovation, renewal, remodeling and adaptation of buildings, outdoor spaces, other support spaces, or supporting infrastructure shall be developed and justified through a planning process that considers total cost of ownership and program delivery, and assures cost effective and practical solutions in support of program delivery. Projects shall be professionally designed and managed; optimal utilization of existing space emphasized; and existing facilities maintained in a manner that is cost effective, extends their useful lives, and is consistent with campus objectives as may be approved or modified by the respective MAU university, the system office, or the board.

~~F. In addition to other information that may be required by the chief finance officer, capital project budgets shall include and clearly identify appropriate amounts for the furniture, fixtures, equipment, and technology infrastructure necessary for the intended use of the facility, and such amount for public art as may be determined by the respective chancellor considering previous investments in art, the nature of the facility, and other applicable circumstances.~~

F.G. To help implement and maintain a comprehensive capital planning, budgeting and project development program, each MAU university shall include a capital-planning surcharge within its capital project administrative overhead rate in accordance with procedures to be established by the system office chief finance officer. The system office may also assess a fee or fees to the MAUs-respective projects to fund central planning and oversight activities relative to capital assets. The board considers such activities and fees essential for effective capital planning and construction. The system office chief finance officer may coordinate the timing of assessment and payment of such fees; may authorize funding of such fee or fees with unrestricted funds or inclusion within a capital-planning surcharge rate; and may periodically review the fees charged to capital projects and approve the applicable MAU-planning surcharge rates.

(09-18-03)

P05.12.020. Definitions.

In this chapter

- A. “alterations and improvements” are construction improvements that are generally performed in response to tenant or occupant requests for modification of space; these projects may be performed in conjunction with other types of activities, but costs must be identified and tracked/apportioned separately from, M&R, DM&R or R&R project activities.
- B. “campus master plan” means a comprehensive planning document, separate from but, in support of the institution and campus academic, strategic and capital plans, that identifies the existing and preferred campus land uses, buildings, landscapes, open space, pedestrian and vehicular circulation systems, and conceptual plans for development and improvement; the plan is premised on existing physical resources and current and anticipated needs, and is developed through a collaborative or consultative process including the community, faculty, students and others;
- C. “capital project” means a project with a total project cost in excess of \$50,000, excluding movable equipment, that creates an asset with a useful life in excess of one year, extends the useful life of an existing asset, or corrects a significant backlog of code correction, handicapped barrier removal, or life/plant protection projects; these projects may be funded through capital appropriations, operating budgets, gifts, grants or bond proceeds;
- D. “deferred maintenance and renewal” means the ~~correction of~~ deficiencies from the cumulative effect of major repair, renewal and replacement, and renovation projects that have not been carried out; special consideration should be given to identification and completion of ~~deferred renewal~~ projects that will result in further deterioration of a facility if not completed; deferred maintenance and renewal excludes new construction unless specifically authorized;
- ~~E.O.~~ “Six-Year”/“Long-range capital plan” means a comprehensive listing of all planned capital asset investments consistent with the campus master plan, for a set period of not less than the next six years, consistent with the campus master plan, regardless of funding source, and with an estimated cost of ~~\$250,000~~\$500,000 or more, including fixed equipment and technology improvements, ~~regardless of funding source;~~
- ~~E.~~ “facilities pre design statement” means ~~an abbreviated substitute for a Project Agreement, in a form as may be approved by the chief finance officer, that addresses similar issues to those addressed in a Project Agreement, but in a briefer and less formal manner;~~
- F. “maintenance and repair” or “M&R” means recurrent day-to-day work required to preserve or immediately restore a facility or fixed equipment to such a condition that it can effectively be used for its designated purpose; maintenance and repair may take the form of routine or preventive activities ~~or,~~ emergency work, or service contracts; maintenance and repair are those costs that may not be capitalized; and maintenance and repair ~~excludes~~

alterations and improvements, and new construction unless specifically authorized by the university's chief finance officer;

- G. “material change” means a change in a project ~~or campus master plan~~ that, in the judgment of the system office chief ~~finance~~-facilities officer, might reasonably cause the respective approval authority to revise or limit its prior approval; this determination requires judgment regarding financial, scope, schedule and other changes; for a financial and scope change, a material change but is generally deemed to be equivalent ~~of to an cumulative budgetary or scope~~ impact in excess of the lesser of ~~\$1.0~~\$2.5 million or ~~20-25~~ percent of the previously approved budget or scope; for schedule change, it is a change in project delivery that delays occupancy for a period that will have a major adverse effect on the institution.
- H. “new construction” means the erection of a new facility or the addition or expansion of an existing facility or internal build-out of unfinished space that adds to the building's usable space; new construction may include support facilities for the buildings including outside utilities, parking, roads, walks, landscaping, and signage;
- I. “operating cost ~~impact~~” means the annual cost of facility ~~ies~~ ownership, including operation and maintenance and the estimated annual renewal and replacement requirements; when calculating this cost for new construction the estimated ~~renewal and replacement~~-M&R requirement shall be calculated for year seven of the facility’s useful life;
- J. “other cost considerations” means the consequential or other costs associated with the project ~~and~~ related program delivery, including costs that may be funded from operating or other sources; such as faculty and staff, renovation of vacated space and related relocation costs, temporary relocations and surge space, move-in, and the incremental cost of new or expanded programs and services, and unfunded project costs or elements, such as lack of parking or unpaved parking, landscaping, unfinished interiors, furnishings, equipment, and works of art; costs that are generally includable as total project costs, but are excluded for any reason, shall be included with other cost considerations;
- K. “program resource planning process” demonstrates the integration of institution academic, research and student support programs, with budgeting and facilities planning and project development activities. Components of this process include the Mission Area Analysis, Statement of Need, and Statement of Requirements;
- L. “mission area analysis” means a quantitative and qualitative analysis of a proposed academic, research, student support or administrative mission; the analysis examines creation, expansion or substantive change, and demonstrates alignment with system and university strategic outcome statements and academic plans;
- M. “statement of need” means a concise summary of the compelling facts derived from the mission analysis document; is submitted to Statewide Academic Council as appropriate and to the Board Academic and Student Affairs Committee as required;
- N. “statement of requirements” means the detailed solution set, including options, that can satisfy the Statement of Need; includes identification of program personnel requirements; facility needs; furnishings, fixtures and equipment (FF&E) requirements; operations and

maintenance (O&M) costs; and second order effects, such as planning for impacts to other space affected by a given project, personnel consolidation, opportunity gained or lost; is the document that identifies all the potential impacts and potential costs associated with a mission creation, expansion or change; is submitted to the board for review and acceptance;

K.O. “project agreement” means a formal agreement between the affected program department(s), the MAU’s-respective university’s chief facilities administrator, chief academic officer, chief financial officer, and chancellor, and the system office chief facilities officer documenting a common understanding of the programmatic need, project scope, and other matters related to the project; ~~as set out in P05.12.022; and includes amendments for any consequential changes to scope, schedule or budget throughout the project development and delivery process; an abbreviated project agreement may be used as set forth by the system office chief facilities officer.~~

PK.A. “project budget” means the assignable direct and indirect costs attributable to a project including professional services, construction, equipment and furnishings, and administrative costs, including fees paid to the system office for central planning and oversight activities that when added together equal the “budget” is interchangeable with “total project cost;”

QL. “renewal and replacement” or “R&R” means the systematic repairs and replacements that extend the life and retain the usable condition of a facility, component or system; the modification of a facility so as to reduce or eliminate functional obsolescence can be completed under this category; ~~but such costs have not been considered when developing the institutional calculation for R&R needs;~~

RM. “reportable leased facilities” means a lease of real property with an all-inclusive annual rental impact, including rent, utilities, related services, and leasehold improvements, referred to as “total lease related payments”, that is anticipated to exceed ~~\$250,000~~\$500,000 per year, or with total lease related payments that exceed \$2.5 million over the full term of the lease including all renewal options that are defined in the lease as definedstated in AS 36.30.080 (c);

SN. “significant change” means a change in the scope, program, schedule or budget ~~for a project or a change or variance from a campus master plan, that;~~ in the judgment of the MAU’s-respective university’s chief facilities administrator; requires disclosure to the board committee for facilities or the system office chief facilities-finance officer;

T. “strategic planning” means a process that the university system engages in to guide a change in direction clearly expressing desired outcomes and establishing reporting metrics.

U.P. “total project cost” is the assignable direct and indirect costs attributable to a project including professional services, construction, equipment and furnishings, and administrative costs, including fees paid for central planning and oversight activities;

V.Q. “variance-report” means ~~a report identifying~~ significant and material changes, as determined by the MAU’s-respective university’s chief facilities administrator, in a project program, scope, budget, deliverables associated with a design-build project, schedule,

funding plan, operating cost impact or other cost considerations from that which was reported at the previous approval or reporting phase of the project.

(09-19-08)

~~P05.12.022. Project Agreement Requirements:~~

~~A. A project agreement must include:~~

- ~~1. the programmatic needs for the project;~~
- ~~2. how fulfillment of those programmatic needs support the respective missions, strategic plans, and initiatives of the university, the MAU and the campus;~~
- ~~3. an analysis of impact on students, faculty and constituents to be served;~~
- ~~4. what additional services or programs will be offered or required;~~
- ~~5. a detailed needs assessment based on the campus facilities requirements analysis and other pertinent information;~~
- ~~6. the plan for reallocation or disposition of vacated space including estimates of associated costs of consequential relocation, renovation, and related activities, if any;~~
- ~~7. the incremental costs of program and service enhancements;~~
- ~~8. the facilities maintenance and operating costs including a provision for renewal and replacement costs;~~
- ~~9. considerations regarding site, location, and consistency with master plans; and~~
- ~~10. proposed funding plan for the project, including detail relating to the design component or various construction phases as appropriate.~~

~~B. The supporting documents shall also discuss or disclose those items that are normally part of a complete project, such as furnishings, fixtures, movable and non-moveable equipment, technology systems, related parking, landscaping, signage, walks and roadways, and works of art, which for funding source, funding constraints, timing or what ever reason, are not included as part of the project budget being agreed upon.~~

~~C. A project agreement is required for all projects with a total project cost anticipated to exceed \$2.5 million. The chief finance officer may, however, waive or modify the project agreement content requirements or specify that a pre-design statement be used in place of the project agreement.~~

(09-18-03)

P05.12.0350. Delegation of Authority

Designated approval authority under this policy may be delegated. In establishing this policy, the board contemplates that the system office chief financial officer and the system office chief facilities officer, in the officer's sole judgment, will prudently delegate the authority vested with ~~the chief financial officer~~ him or her by this policy to ~~the other administrators, MAU chief~~ finance officers and ~~the MAU chief~~ facilities administrators as may be necessary for effective and efficient administration and, operations, and maintenance of ~~the~~ campus facilities.

P05.12.040. Program Resource Planning Process

A. Intent

The administration will ensure integration of institution academic, research and student support programs, with the budgeting and facilities planning and project development activities. Components of this planning process include the Mission Area Analysis, Statement of Need, and Statement of Requirements. This process is intended to ensure that the university mission drives the capital planning and project development processes.

B. Development

University administrators and academic leadership shall work together to develop the documents needed for the board, system office, and other approvals as may be necessary to create, expand or change academic, research and student support activities.

P05.12.0530. Campus Master Plans

A. Intent and Purpose

The administration will develop and present to the board for adoption, a campus master plan for each campus. The purpose of a campus master plan is to provide an integrated framework for investment and implementation of the UA ~~respective system and~~, university MAU and campus academic, strategic and capital plans.

B. Function;

When adopted by the board, the campus master plan governs the capital improvements plan and budget request for the campus.

C. Contents

A campus master plan will contain, at minimum, maps, plans, drawings or renderings, and text sufficient to portray and describe the ~~following elements~~ intent of the campus to provide adequate facilities and infrastructure in support of the respective campus's mission. Projections will be developed for 10 years ~~and may be developed for other intervals and other relevant intervals~~ referencing and consistent with system office and other relevant campus plans such as those for housing (as required in P05.14.040), sustainability, energy,

signage, utilities, residential life and others. Issues to be considered include enrollment, retention and completion rates and projections, space utilization measures, space types and deficits or overages, program and other needs to support degree completion. The plan should include identification of short and long term investment priorities.

- ~~1. Projected enrollment and other factors affecting the need for facilities and infrastructure;~~
- ~~2. General areas for land acquisition and disposal;~~
- ~~3. The general location of new or upgraded infrastructure, including roads, parking, pedestrian circulation, transit circulation, and utilities;~~
- ~~4. Demolition of buildings, structures, and facilities;~~
- ~~5. General location, size, and purpose of new buildings, structures, and facilities;~~
- ~~6. Guidelines for landscaping;~~
- ~~7. General location and intent for open spaces, plazas, etc.;~~
- ~~8. Guidelines for signage, both freestanding and on buildings and structures;~~
- ~~9. Architectural guidelines for all buildings, structures, and facilities;~~
- ~~10. Environmental and cultural issues, ADA access, and energy conservation;~~
- ~~11. The relationship of the campus to its surroundings and coordination with local government land use plans and ordinances; and~~
- ~~12. General priorities for capital projects.~~

DC. Development; Review and Update; Revision, and Amendment Process.

1. Development Process: The administration will implement a process for development of the campus master plan that allows for participation by the local government and members of the university community, ~~to include~~including faculty, staff, and students.
2. Review and Update: A campus master plan will be reviewed and updated on a five to seven year cycle.
3. Revision and Amendment: A campus master plan may be revised or amended from time to time. An amendment to accommodate a proposed specific capital project shall be considered and approved by the board prior to consideration of the proposed capital project.

D. ~~Purpose and Function; Renovations~~

1. ~~Purpose and Function: When adopted by the board, the campus master plan governs the capital improvements plan and budget request for the campus, and approval of all proposed capital projects on the campus. The board may not grant schematic approval for a capital project request unless it implements the adopted campus master plan.~~
2. ~~Renovations: When a capital project consists of the renovation of an existing building, structure, or facility, as part of the renovation, the exterior and immediate environs of the building, structure, or facility should be brought into conformance with the campus master plan to the extent reasonably possible.~~

(09-19-08)

P05.12.031. Capital Improvement Planning: Facilities Requirement Analysis.

~~In connection with its master planning process, each MAU shall develop and maintain a facilities requirement analysis for the respective campuses. The analysis will include a complete inventory of all facilities owned, leased or otherwise used by the campus, a facility condition and suitability analysis, and a facility utilization and demand analysis. The analyses should be based upon current demands and enrollment or program activity, enrollment and program projections as may be approved by the president or designee, and standards as may be approved by the chief finance officer or designee.~~

(09-18-03)

P05.12.06032. Capital Improvement Planning and Budget Request.

- A. ~~Annually, within the capital and operating budget process, each MAU university will prepare and update a long-range 6 year capital plan proposal. The MAU university capital plan proposals will be consolidated into a systemwide Long-range capital plan in accordance with procedures established by the system office chief finance officer and presented to the board for review and comments prior to approval. The MAU 6 year capital plan proposals, which are developed based upon approved strategic, academic and other planning assumptions, will be consolidated into a systemwide 6 year capital plan in accordance with guidelines approved by the board and procedures established by the chief finance officer. The systemwide 6 year capital plan will be presented to regents' committees responsible for facilities and budgeting for review and comment prior to submission to the full board for approval. Once the 6 year capital plan is approved, the MAU 6 year capital plans shall consist of those projects in the sequence and with the funding sources as identified in the board-approved 6 year capital plan. Full identification of life-eyeannual cost impacts shall be identified prior to a project being included in the long-range plan.~~
- B. ~~The Long-range 6 year capital plans shall be reviewed and updated annually each year as part of the capital and operating budget submission process. Year one of the approved systemwide 6 year capital plan, exclusive of any operating leases and other property or facilities funded from current operating funds, shall become the university's capital budget request for the next capital appropriation cycle.~~

~~C. Each MAU shall include as part of its budget submittal such information regarding reportable leased facilities as may be requested by the chief finance officer.~~

~~(09-18-03)~~

P05.12.06149. Capital Project Development: Capital Expenditure Plan Approval.

A. ~~Capital appropriation acceptance, distribution, or expenditure plan approval for pooled multi-project appropriations, such as facility revitalization, Deferred Renewal, or code corrections, does not represent project approval. Projects which consist primarily of major maintenance work, including projects which reduce the backlog of deferred maintenance and renewal, will be approved by the board as an annual program of projects at the June meeting when the new fiscal year appropriation is accepted. Changes to the board-approved program must be approved by the system office chief finance officer, with notice to the board at its next meeting.~~

B. ~~Pooled appropriation distribution or capital expenditure plans shall be approved at the same authority level as capital projects based on the total of the appropriation. If a subsequent transfer of funding between projects or to a new project is requested for an approved pooled distribution or annual program of projects, the system office chief finance officer shall determine the level of approval required based on the size and nature of the transfer.~~

~~(09-18-03)~~

P05.12.0620. Capital Budgets, Capital Appropriations, and Spending Authority.

A. No spending or other commitment of state capital appropriations, grants, or the proceeds of revenue bonds or other debt financed funding for capital improvement projects will occur unless authorized in accordance with this chapter, and ~~receipt of project budget approval in accordance with~~ procedures established by the system office chief finance officer. Such authorizations will be specific to the project identified.

B. Funds advanced for preliminary planning and design activities from operating, auxiliary, or restricted accounts may be reimbursed from capital appropriations effective for the fiscal year of the expenditure, from debt-financed sources in accordance with Internal Revenue Service requirements and notices of intent to reimburse, and from grant-funded sources in accordance with the terms of the respective grant. All reimbursements are subject to approval of the system office chief finance officer.

C. No construction contract will be awarded for a capital project without the availability of sufficient funding on hand as outlined in the approved budget for the project, unless approved by the system office chief finance officer.

(09-18-03)

P05.12.07040. Capital Project Development: General.

A. Capital projects shall be developed through a series of approvals, reports, and other processes designed to provide various members of the campus, the local community, the system office administration, and the board with meaningful involvement in the planning and outcome of the projects. The approval and reporting processes are intended to identify significant decision points and changes in the projects, particularly decisions and changes

that affect the project scope, budget or schedule, early enough for the respective approval authority to participate effectively in decision making. ~~Except for Major Maintenance Projects, p~~Projects with a Total Project Cost in excess of ~~\$1.0~~ 0.5 million exclusive of movable equipment will be developed and completed through the following approval and reporting phases and processes:

1. Preliminary Administrative Approval – Authorization to plan a project and to develop a Project Agreement documenting the programmatic need, scope and estimated cost of the project;
 2. Formal Project Approval – Authorization to develop the basic design of the facility or project through creation of a schematic design;
 3. Schematic Design Approval – Authorization to complete the design of the facility or project, to develop construction documents, and, subject to no material changes, bid and award a contract;
 4. Project Change Approval – Authorization to modify the project budget or scope after schematic design approval;
 - ~~5. Pre Bid Project Report – Report on the results of the final design process;~~
 - ~~6. Construction Contract Award Report – Report on the results of the bid process and award of a contract;~~
 5. Project Completion Budget Status – Report projected expenditure status for any remaining project balance not more than 90 days after substantial completion, and
 76. Final Project Report – Report on wrap-up of the project.
- B. ~~In addition, semi-annual Regular~~ construction in progress reports will provide information on the status of all projects that meet reportable requirements, with a total project cost in excess of \$0.5 million exclusive of movable equipment.

C. ~~Major~~ Maintenance Projects

1. Projects which consist primarily of ~~major repair and renewal~~ maintenance work, including projects which reduce the backlog of ~~deferred maintenance-deferred maintenance and renewal~~ (~~Major Maintenance Projects~~), will be approved by the Board as an annual program of projects at the June meeting when the new fiscal year appropriation is accepted. Changes to the Board-approved program must be approved by the chief ~~finance-facilities~~ officer, with notice to the board ~~at its next meeting.~~
2. ~~Major~~ Maintenance Projects with a Total Project Cost in excess of \$0.5 million but not greater than ~~\$2.0~~ \$5.0 million must be submitted for Schematic Design Approval ~~and will require a Construction Contract Award Report.~~

3. ~~Major~~ Maintenance Projects with a Total Project Cost greater than ~~\$2.0~~\$5.0 million are subject to all approval and reporting requirements.

~~D. For all projects with a total project cost of \$0.5 million or less exclusive of movable equipment, the university's chief finance officer may prescribe additional approval and reporting processes.~~

(04-12-03)

P05.12.0741. Capital Project Development: Preliminary Administrative Approval.

- A. Preliminary administrative approval represents provisional approval of a project subject to further review and analysis of the programmatic need, budget and other factors. It also represents authorization to plan the project through the facility needs analysis, programming and scoping, including development of a project agreement ~~or a facilities pre design statement~~. Preliminary administrative approval is a prerequisite for inclusion in the ~~6-year~~long-range capital plan unless otherwise approved by the board. Requests for preliminary administrative approval should include the programmatic analysis and need statement addressed by the project, a preliminary description of the project scope, ~~the programmatic need addressed by the project~~, the estimated total project cost, the proposed cost and funding sources for the next phase of the project and for eventual completion of the project, the estimated operating cost impact, other cost considerations, and proposed schedule for completion.
- B. The level of approval required for preliminary administrative approval shall be based upon estimated total project costs:
 1. Projects for new construction, expansion or significant remodel for reuse with an estimated total project cost of more than ~~\$5.0~~ 2.0-million will require approval by the president;
 2. Projects for new construction, expansion or significant remodel for reuse with an estimated total project cost of ~~\$5.0~~ 2.0-million or less will require approval by the system office chief finance officer.
- C. Notwithstanding the provisions of B. of this section, prior to requesting preliminary administrative approval a ~~university-MAU~~ may commit up to ~~\$50,000~~\$250,000 in unrestricted funds for initial planning, conceptualization, scoping, and design, including contracted architectural, engineering and consulting services. ~~The chief finance officer may authorize the commitment of up to \$250,000 in unrestricted funds or available capital funds for this purpose in special circumstances. Except as may be authorized by the chief finance officer for capital projects under \$0.5 million, no employee, officer or agent may commit the university to planning or other obligations in connection with a proposed capital project that are in excess of \$250,000 or have an equivalent non-cost impact on the university without formal project approval.~~

(09-18-03)

P05.12.0742. Capital Project Development: Formal Project Approval.

- A. Formal project approval represents approval of the Project including the program justification and need, scope, the total project cost, and funding plan for the project. It also represents authorization to complete project development through the schematic design, targeting the approved scope and budget, unless otherwise designated by the approval authority.

For projects with an estimated total project cost in excess of ~~\$5.0~~ 2.5 million, formal project approval is a prerequisite for the inclusion of construction funding in the university's Year One capital budget request, unless otherwise approved by the board. Requests for formal project approval shall include a record of the Academic and Student Affairs Committee approval of the program proposal, a signed Project Agreement ~~or facilities pre-design statement~~, the proposed cost and funding sources for the next phase of the project and for eventual completion of the project, identification of project delivery method, recommended level of investment in public art, and a variances report identifying including any significant or material changes in scope, budget, schedule, deliverables or prescriptive criteria associated with a design-build the project, a business plan which identifies: the project phase(s), remodeling requirements due to vacancies created in existing buildings, funding plan for both program and capital project costs, operating cost impact, or other cost considerations from the time the project received preliminary administrative approval.

- B. If a project will include multiple phases of construction for funding or other reasons, it is preferable to describe all planned phases at this approval step. Requests submitted for Schematic Design Approval request should cover the particular phase(s) funded at time request is submitted.

- C. The level of approval required for formal project approval shall be based upon estimated total project costs:

1. Projects with an estimated total project cost ~~of~~ in excess of ~~\$5.0~~ 4.0 million will require approval by the board based on recommendations from the regents' committee responsible for facilities;
2. Projects with an estimated total project cost in excess of \$2.0 million but not more than ~~\$5.0~~ 4.0 million will require approval by the regents' committee responsible for facilities. The committee may delegate approval authority to the committee chair/chair of committee as desired as it determines is convenient and appropriate;
- ~~3. Projects with an estimated total project cost in excess of \$1.0 million but not more than \$2.0 million will require approval by the chair of the regents' committee responsible for facilities;~~
- 3.4. Projects with an estimated total project cost of ~~\$2.0~~ 1.0 million or less will require approval by the system office chief finance officer.

(09-18-03)

P05.12.0743. Capital Project Development: Schematic Design Approval.

- A. Schematic design approval represents approval of the location of the facility;¹ its relationship to other facilities;² the functional relationship of interior areas;³ the basic design including construction materials, mechanical, electrical, technology infrastructure and telecommunications systems;⁴ and any ~~other~~ changes to the project since formal project approval. The board may not grant schematic design approval for a capital project unless it implements or amends the adopted campus master plan.
- B. Unless otherwise designated by the approval authority or a material change in the project is subsequently identified, Schematic Design Approval also represents approval of the proposed cost of the ~~funded next~~ phase(s) of the project and authorization to complete the design development process, to bid and award a contract within the approved budget, and to proceed to completion of project construction. Provided however, if a material change in the project is subsequently identified, such change will be subject to the approval process described in P05.12.074.
- C. Requests for schematic design approval should include a narrative description of the project, a project budget, identification of the funding plan for construction and operations costs, and statements affirming compliance with this policy, campus master plan and applicable the Project Agreements or facilities pre-design statements and applicable design guidelines; drawings and cost estimates in sufficient detail to enable the approval authority to review site development, functional relationship of the interior areas, exterior design of the facility, principle building systems and materials used for construction, energy management, expected space utilization, and design efficiency rate.
- ~~1. site plans, showing the relationship of the facility to the site, to other facilities, and to the campus as a whole;~~
 - ~~2. the exterior design of the facility;~~
 - ~~3. the principal materials to be used in the construction of the facility;~~
 - ~~4. the functional relationship of interior areas;~~
 - ~~5. the types of mechanical, electrical, and telecommunication systems to be installed;~~
 - ~~6. conformance with applicable life, health and safety codes and standards;~~
 - ~~7. the estimated cost of major components of the project;~~
 - ~~8. the design efficiency based upon approved standards;~~
 - ~~9. the conformance with approved space and design standards;~~
 - ~~10. proposed funding plan for completion of the design and for completion of the project; and~~
 - ~~11. relevant life cycle costing and energy management information.~~

D. The request for schematic design approval shall ~~also include a variance report~~ identify ing any significant or material changes in scope, cost, schedule, funding plan, operating cost impact, or other cost considerations from the time the project received formal project approval.

E. ~~E.~~ Schematic design approval levels shall be as follows:

1. Projects with an estimated total project cost ~~of~~ in excess of \$5.0 ~~4.0~~ million will require approval by the board based on recommendations from the regents' committee responsible for facilities;
2. Projects with an estimated total project cost of more than \$2.0 million but not more than \$5.0 ~~4.0~~ million will require approval by the regents' committee responsible for facilities. The committee may delegate approval authority to the committee chair as it determines is convenient and appropriate;
- ~~3. Projects with an estimated total project cost of more than \$1.0 million but not more than \$2.0 million will require approval by the chair of the regents' committee responsible for facilities;~~
34. Projects with an estimated total project cost of \$2.0 ~~1.0~~ million or less will require approval by the system office ~~university's~~ chief finance officer.

(06-07-12)

P05.12.0474. Capital Project Development: Approval Levels for Project Changes in Funding Sources, Total Project Cost, ~~or~~ Scope or Schedule Subsequent to Schematic Design Approvals

Approval of project change(s) is required for projects which exceed the authority level delegated to the universities or cause a project to exceed that level. Approval levels required for material changes in the source of funds, increases in budget, or material changes in project scope or schedule identified subsequent to schematic design approval shall be determined by the system office chief ~~finance-facilities~~ officer based on the extent of the change and other relevant circumstances. This determination requires judgment, but will generally be based on the nature of the funding source, the amount, the impact on occupancy schedule and the budgetary or equivalent scope impact relative to the approved budget at the schematic design approval stage, and assigned as follows:

- A. Changes with an estimated or actual project budget impact in excess of the lesser of 1) greater than 25% of the total project cost or 2) greater than \$2.5 ~~\$1.0~~ million or with a schedule delay impact of two academic semesters or more will require approval by ~~the board based on recommendations from~~ the regents' committee responsible for facilities;
- ~~B. Changes with an estimated impact in excess of \$0.4 million but not more than \$1.0 million will require approval by the regents' committee responsible for facilities;~~

B. Changes to projects with a total project cost greater than \$0.5 million that do not require approval by the regents' committee responsible for facilities will require approval by the system office chief finance officer.

(06-07-12)

~~P05.12.044. Capital Project Development: Pre-Bid Project Report or Approval.~~

~~Upon completion of the design, the MAU's chief facilities administrator shall prepare, in accordance with procedures established by the chief finance officer, a pre-bid project report, including a description of the product delivery method, rational for any bid alternates, and a variance report identifying any significant changes in scope, budget, schedule, deliverables or prescriptive criteria associated with a design-build project, funding plan, operating cost impact, and other cost considerations, from the time the project received schematic design approval. Any change that has the potential to be considered a material change in the project shall be brought to the attention of the chief finance officer as soon as practicable for appropriate authorization to proceed. Such reports shall be maintained in a manner so as to allow incorporation into the semi-annual construction in progress report.~~

~~(09-18-03)~~

~~P05.12.045. Capital Project Development: Award and Project Reports.~~

~~A. Upon award of a contract, the MAU's chief facilities administrator shall prepare, in accordance with procedures established by the chief finance officer, a construction contract award report on the status of the contract award and a variance report identifying any significant changes in scope, cost, schedule, funding plan, operating cost impact, or other cost considerations since issuance of the pre bid project report. Such reports shall be maintained in a manner so as to allow incorporation into the semi-annual construction in progress report.~~

~~B. Upon determination that a project is substantially complete, that the project has been abandoned, discontinued or shelved with no further action anticipated for a considerable time, or consolidated with another project or projects, the MAU's chief facilities administrator shall prepare, in accordance with procedures established by the chief finance officer, a final project report.~~

~~C. The final project report must include a variance report identifying any significant changes in scope, budget, schedule, funding plan, operating cost impact, or other cost considerations since issuance of the construction contract award report, and an explanation of any significant circumstances surrounding project completion or its discontinuance. Such reports shall be maintained in a manner so as to allow incorporation into the semi-annual construction in progress report.~~

~~(09-18-03)~~

P05.12.07546. Capital Project Development: Construction in Progress Reporting.

A. On a semi-annual~~regular~~ basis ~~each MAU~~the chief facilities administrator for each university shall prepare, in accordance with procedures established by the system office

chief ~~finance-facilities~~ officer, a status report for all projects with an estimated total project cost in excess of ~~\$500,000~~\$250,000 for community campuses and \$1.0 million for main campuses, or those projects that the system office chief facilities officer deems due to their location or complexity to be of particular interest to the board including both ongoing projects and those projects that were completed, abandoned or discontinued during the period.

~~The pre-bid project reports, construction contract award reports and final project report for the applicable period shall be included as appendices to the semi-annual construction in progress report~~

- B. At each regular meeting of the regents' committee responsible for facilities, the system office chief ~~finance-facilities~~ officer shall report on construction in progress, providing a status report on all projects that required formal project approval at the regents' committee responsible for facilities or higher level, and such other projects that ~~due to their location or complexity~~ are deemed by the system office chief finance officer to be of particular importance to the board.

(09-18-03)

P05.12.076. Capital Project Development: Post-Occupancy and Final Project Reports.

- A. The post-occupancy report shall be filed not more than 90 days after beginning occupancy of any board-approved projects of more than \$5.0 million, including new construction, expansion and significant remodel for reuse. The post-occupancy report must identify project funding balances and expected priorities for spending any remaining balances, significant changes in scope, budget, schedule, funding plan, operating cost impact, anticipated expenditures and project balance through project closeout, or other cost considerations since issuance of the construction contract award report, and an explanation of any significant circumstances surrounding project completion, including lessons learned. Such reports shall be maintained in a manner so as to allow incorporation into the regular construction in progress report.

- B. The final project report ~~must include~~ shall be filed within 90 days after the end of the warranty period for all Board-approved projects of more than \$5.0 million, including new construction, expansion and significant remodel for reuse. The final project report will update the post-occupancy report including a variance report identifying any significant changes in scope, budget, schedule, funding plan, operating cost impact, or other cost considerations since issuance of the construction contract award report, and an explanation of any significant circumstances surrounding project completion or its discontinuance. Such reports shall be maintained in a manner so as to allow incorporation into the regular construction in progress report.

- C. Upon determination that a project ~~is substantially complete, that the project~~ has been abandoned, discontinued or shelved with no further action anticipated for a considerable time, or consolidated with another project or projects, the MAU's responsible chief facilities administrator shall prepare ~~in accordance with procedures established by the chief finance officer,~~ a final project report and closeout the project.

(09-18-03)

P05.12.07748 Capital Project Development: Approval Levels for Projects That Have Not Been Subject to the Defined Planning and Approval Process.

- A. For projects that have not been subject to the normal planning, budget, and approval processes described in this chapter, ~~as determined by the chief finance officer~~, the level of approval required for formal project approval shall be as follows:
1. Projects with an estimated total project cost of in excess of ~~\$5.0~~ 2.0-million will require approval by the board based on recommendations from the regents' committee responsible for facilities.
 2. Projects with an estimated total project cost in excess of ~~\$2.0~~ 1.0-million but not more than ~~\$5.0~~ 2.0-million will require approval by the regents' committee responsible for facilities. The committee may delegate approval authority to the committee chair as it determines is convenient and appropriate.
 - ~~3. Projects with an estimated total project cost in excess of \$0.75 million but not more than \$1.0 million will require approval by the chair of the regents' committee responsible for facilities.~~
 - 3.4. Projects with an estimated total project cost of ~~\$2.0~~ 0.75-million or less will require approval by the chief finance officer.
- B. If multiple projects are bundled in order to solicit lower prices or for efficiency or other purposes and the aggregate cost exceeds the normal approval level, the system office chief finance officer shall determine the level of approval required based on the funding sources and the size and nature of the projects. ~~The chief finance officer shall determine the level and timing for each approval required when a single appropriation is split into multiple projects or phases.~~
- C. ~~The system office chief finance officer approval will be required if a single appropriation is split into funding for multiple projects.~~

(09-18-03)

P05.12.0870. Operations and Maintenance.

- A. The annual need for maintenance and repair shall be fully funded in the annual operating budget of the university unless otherwise directed or approved by the board. In addition, the funding for facility renewal and replacement as well as elimination of accumulated deferred renewal will be included in the capital budget request and long range capital plan.~~continues to be a university priority.~~ At a minimum, an amount equal to the annual M&R need shall be expended on routine maintenance and repair, major repairs, ~~R&R,~~ whether current or deferred, ~~alterations, remodeling, and mandated improvements, and capital planning.~~ Unless the scope of remodeling to accommodate tenant occupancy is minor, it may not be included when reporting on M&R annual stewardship expenditures and should be reported as expenses for alterations or capital improvements for asset reinvestment.

B. An annual maintenance plan shall be developed by the chief facilities administrators of the respective universities and provided to the system office chief finance officer.

C.B. On an annual basis, the system office chief finance officer will cause to be compiled a report identifying for each university and the system office MAU the:

1. prior fiscal year actual operating and capital expenditures for M&R and R&R support;
2. current fiscal year's budgeted operating and capital commitment for M&R and R&R;
3. current annual calculated need for M&R and R&R;
4. current estimate of accumulated deferred renewal; and
5. the status of ongoing deferred renewal projects.

DC. The annual R&R funding will be determined based on type of use and occupancy of a facility. ~~For facilities that are used for general university occupancy or operations, annual expenditures for R&R will be based upon the level of need and the level of resources available for such projects as determined through the budget process.~~ For facilities that are leased to, or substantially utilized by, university auxiliaries or non-university entities, annual R&R requirements will be fully funded in the operating or capital budget unless otherwise approved by the system office chief finance officer.

~~(09-18-03)~~

P05.12.0980. Naming of Campus Facilities: Formal Naming of Campus Facilities and Infrastructure.

A. Official naming of all "significant" buildings, building subcomponents such as wings, additions, auditoriums, and libraries, streets, parks, recreational areas, plazas and similar facilities or sites will be approved by the board. These facilities, improvements and areas will generally be named to honor or memorialize specific individuals, groups, events, places, or objects of historic, geographic, cultural, or local significance, including the following:

1. Former members of the board and the University of Alaska Foundation's Board of Trustees;
2. Distinguished former university presidents, chancellors, faculty, staff, and alumni of the university;
3. Distinguished Alaskans and others who have made outstanding contributions to society, the nation, the state, or the university;
4. Contributors of substantial financial or other support to the university, including

donations provided for under P05.14.080; and

5. Alaska rivers, mountains, flora, fauna, cities, or communities.
- B. Each chancellor shall establish standing or ad hoc advisory committees to make recommendations on the naming of facilities, improvements and other areas of the campus, and to help identify naming opportunities for gifting and development purposes. Recommendations for a naming to honor or memorialize an individual shall be confidential to the maximum extent permitted by law.
- C. Unless otherwise directed by motion of the board, the name of an existing facility, improvement or area, which was named in honor of or to memorialize a specific individual, group, event, place, or an object of historic, geographic, cultural, or local significance, will remain for the life of the facility or improvement. Unless specifically authorized by the board, the name of a facility to be demolished will not be transferred to a new facility.
- D. The president is authorized to determine which namings will be considered “significant” for purposes of approval by the board. In making that determination, the president shall consider the type, location, usage, condition, and value of the facility or area to be named; the individual, event or other to be memorialized; and the compatibility of the name with the facility or other improvement.
- E. The board reserves the right to rename any facility when, in its sole discretion, it determines that the renaming is in the best interest of the university.

(06-10-04)

P05.12.091. Functional, Descriptive, or Directional Naming of Facilities and Infrastructure Improvements.

Functional, descriptive, and directional naming of facilities, improvements, or areas shall be approved in accordance with [MAU-university](#) rules and procedures.

(06-10-04)

P05.12.092. Contractual Opportunities for Naming Facilities and Improvements.

Commercial contracts to name university facilities shall be [in accordance with P05.14. approved by the board](#). Criteria for approval shall include compatibility of the contracting party’s image and advertising with that of the university.

(06-10-04)

P05.12.100. Public Use of Facilities.

Facilities of the university will be open to the public for educational, recreational, cultural activities, and other use in accordance with use priorities and other requirements as may be set forth in university regulation and campus procedures.

(06-20-97)

P05.12.101. Campus Solicitation.

All canvassing, peddling, or solicitation on university grounds or in university buildings will be subject to university regulation and campus procedures as to time, manner, and place.

(06-20-97)

P05.12.102. Smoking in University of Alaska Buildings.

Smoking will be prohibited in all nonresidential university facilities open to the public and all public areas of all residential university facilities.

(06-20-97)

P05.12.103. Alcoholic Beverages on Campus.

Persons who have reached the statutory drinking age are permitted to possess and consume alcoholic beverages on university campuses as provided by applicable university regulation, campus procedures, and all applicable laws and regulations.

(06-20-97)

P05.12.104. Marijuana and Other Illegal Substances.

Possession or use of marijuana or any other substance controlled pursuant to 21 U.S.C. 841 et seq. anywhere on university property is prohibited. Violations of this policy will result in disciplinary action, as provided by applicable university regulation, campus procedures, and all applicable laws and regulations.

(06-20-97)

P05.12.110. Art in University Facilities and Spaces.

A. The university supports the Alaska State Council for the Arts and its public art program and has adopted the following goals for art in university facilities and other spaces:

1. to be an educational resource for art to university students, employees, and visitors;
2. to link, through imagery and symbolism, the art with the activities of a campus and its facilities;
3. to foster Alaskan art and encourage Alaska's artists and craftsmen;
4. to include representatives of the community, the campus, and occupants of the facility in the selection of art to be displayed; and

~~B. 5. Each capital project for new construction, expansion or significant remodel for reuse shall~~ include separately identifiable amounts in the project budget with a target of between one-half and one percent of the construction budget, in accordance with P05.12.010, in all budgets for capital renewal and new capital construction regardless of funding source.

CB. The selection of artwork purchased with capital appropriations shall be by a committee

appointed by the university Chancellor where the capital project is located. Each selection committee will be governed by university regulations and have autonomy in the selection.
~~and the acceptance of donations of major works of art will be governed by university regulation. Selections or acceptances of works of art valued at more than \$100,000 will be referred to the board for comment before final approval by the appropriate chancellor and the president.~~

(06-20-97)

D. Each university chancellor is to make provisions for management and maintenance of their public art collection.

REGENTS' POLICY
PART V – FINANCE AND BUSINESS MANAGEMENT
Chapter 05.12 - Capital Planning and Facilities Management

P05.12.010. Purpose.

- A. The purpose of this policy is to promote excellent stewardship for buildings, infrastructure and other facilities at each of the University of Alaska campuses: to set forth an expectation for achieving sustained funding that assures preservation of the investment in facilities and extends building life and usefulness; and to establish planning processes that provide accurate data for decision making and effective management.
- B. A comprehensive program of facilities planning, capital budgeting and project development, and facilities operations and maintenance is essential for the university to effectively serve present and future students, faculty, and staff. Facilities planning, design, construction, management, and operation functions shall be systematically performed in accordance with regents' policy, university regulation, and guidelines as may be authorized by the chief finance officer.
- C. In establishing this policy, the board expects that the UA strategic and academic guidance as well as the academic and programmatic needs of each campus will drive the respective facilities functions and has adopted the Program Resource Planning Process to guide that effort; each of the respective universities will take ownership of and implement those facility functions and capital planning; and the system office will be responsible for development of policies, procedures, and processes for coordination of systemwide studies, due-diligence reviews and oversight on capital projects including a review of projects prior to advancing a project through the various stages of project development and approval.
- D. Before being presented to the board or other authority for approval, capital planning and large capital improvement projects shall be presented to the system office chief facilities officer for review and processing.
- E. Capital projects for the creation, renovation, renewal, remodeling and adaptation of buildings, outdoor spaces, other support spaces, or supporting infrastructure shall be developed and justified through a planning process that considers total cost of ownership and program delivery, and assures cost effective and practical solutions in support of program delivery. Projects shall be professionally designed and managed; optimal utilization of existing space emphasized; and existing facilities maintained in a manner that is cost effective, extends their useful lives, and is consistent with campus objectives as may be approved or modified by the respective university.
- F. To help implement and maintain a comprehensive capital planning, budgeting and project development program, each university shall include a capital-planning surcharge within its capital project administrative overhead rate in accordance with procedures to be established by the system office chief finance officer. The system office may also assess a fee or fees to the respective projects to fund central planning and oversight activities relative to capital assets. The board considers such activities and fees essential for effective capital planning and construction. The system office chief finance officer may coordinate the timing of

assessment and payment of such fees; may authorize funding of such fee or fees with unrestricted funds or inclusion within a capital-planning surcharge rate; and may periodically review the fees charged to capital projects and approve the applicable planning surcharge rates.

(09-18-03)

P05.12.020. Definitions.

In this chapter

- A. “alterations and improvements” are construction improvements that are generally performed in response to tenant or occupant requests for modification of space; these projects may be performed in conjunction with other types of activities, but costs must be identified and apportioned separately from, M&R, DM&R or R&R project activities.
- B. “campus master plan” means a comprehensive planning document, separate from but, in support of the institution and campus academic, strategic and capital plans, that is premised on existing physical resources and current and anticipated needs, and is developed through a collaborative or consultative process including the community, faculty, students and others;
- C. “capital project” means a project with a total project cost in excess of \$50,000, excluding movable equipment, that creates an asset with a useful life in excess of one year, extends the useful life of an existing asset, or corrects a significant backlog of code correction, handicapped barrier removal, or life/plant protection projects; these projects may be funded through capital appropriations, operating budgets, gifts, grants or bond proceeds;
- D. “deferred maintenance and renewal” means the deficiencies from the cumulative effect of major repair, renewal and replacement, and renovation projects that have not been carried out; special consideration should be given to identification and completion of projects that will result in further deterioration of a facility if not completed; deferred maintenance and renewal excludes new construction unless specifically authorized;
- E. “Long-range capital plan” means a comprehensive listing of all planned capital asset investments consistent with the campus master plan, for a set period of not less than six years, regardless of funding source, and with an estimated cost of \$500,000 or more, including fixed equipment and technology improvements;
- F. “maintenance and repair” or “M&R” means recurrent day-to-day work required to preserve or immediately restore a facility or fixed equipment to such a condition that it can effectively be used for its designated purpose; maintenance and repair may take the form of routine or preventive activities, emergency work, or service contracts; maintenance and repair are those costs that may not be capitalized; and maintenance and repair excludes alterations and improvements, and new construction;
- G. “material change” means a change in a project that, in the judgment of the system office chief facilities officer, might reasonably cause the respective approval authority to revise

or limit its prior approval; this determination requires judgment regarding financial, scope, schedule and other changes; for a financial and scope change, a material change is generally deemed to be equivalent to an impact in excess of the lesser of \$2.5 million or 25 percent of the previously approved budget or scope; for schedule change, it is a change in project delivery that delays occupancy for a period that will have a major adverse effect on the institution.

- H. “new construction” means the erection of a new facility or the addition or expansion of an existing facility or internal build-out of unfinished space that adds to the building's usable space; new construction may include support facilities for the buildings including outside utilities, parking, roads, walks, landscaping, and signage;
- I. “operating cost” means the annual cost of facility ownership, including operation and maintenance and the estimated annual renewal and replacement requirement; when calculating this cost for new construction the estimated M&R requirement shall be calculated for year seven of the facility’s useful life;
- J. “other cost considerations” means the consequential or other costs associated with the project and related program delivery, including costs that may be funded from operating or other sources: such as faculty and staff, renovation of vacated space and related relocation costs, temporary relocations and surge space, move-in, and the incremental cost of new or expanded programs and services, and unfunded project costs or elements, such as lack of parking or unpaved parking, landscaping, unfinished interiors, furnishings, equipment, and works of art; costs that are generally includable as total project costs, but are excluded for any reason, shall be included with other cost considerations;
- K. “program resource planning process” demonstrates the integration of institution academic, research and student support programs, with budgeting and facilities planning and project development activities. Components of this process include the Mission Area Analysis, Statement of Need, and Statement of Requirements;
- L. “mission area analysis” means a quantitative and qualitative analysis of a proposed academic, research, student support or administrative mission; the analysis examines creation, expansion or substantive change, and demonstrates alignment with system and university strategic outcome statements and academic plans;
- M. “statement of need” means a concise summary of the compelling facts derived from the mission analysis document; is submitted to Statewide Academic Council as appropriate and to the Board Academic and Student Affairs Committee as required;
- N. “statement of requirements” means the detailed solution set, including options, that can satisfy the Statement of Need; includes identification of program personnel requirements; facility needs; furnishings, fixtures and equipment (FF&E) requirements; operations and maintenance (O&M) costs; and second order effects, such as planning for impacts to other space affected by a given project, personnel consolidation, opportunity gained or lost; is the document that identifies all the potential impacts and potential costs associated with a mission creation, expansion or change; is submitted to the board for review and acceptance;

- O. “project agreement” means a formal agreement between the affected program department(s), the respective university’s chief facilities administrator, chief academic officer, chief financial officer, and chancellor, and the system office chief facilities officer documenting a common understanding of the programmatic need, project scope, and other matters related to the project; and includes amendments for any consequential changes to scope, schedule or budget throughout the project development and delivery process; an abbreviated project agreement may be used as set forth by the system office chief facilities officer.
- P. “project budget” means the assignable direct and indirect costs attributable to a project including professional services, construction, equipment and furnishings, and administrative costs, including fees paid to the system office for central planning and oversight activities that when added together equal the “total project cost;”
- Q. “renewal and replacement” or “R&R” means the systematic repairs and replacements that extend the life and retain the usable condition of a facility, component or system; the modification of a facility so as to reduce or eliminate functional obsolescence can be completed under this category;
- R. “reportable leased facilities” means a lease of real property with an all-inclusive annual rental impact, including rent, utilities, related services, and leasehold improvements, referred to as “total lease related payments”, that is anticipated to exceed \$500,000 per year, or with total lease related payments that exceed \$2.5 million over the full term of the lease including all renewal options that are defined in the lease as stated in AS 36.30.080 (c);
- S. “significant change” means a change in the scope, program, schedule or budget for a project or a change or variance from a campus master plan, that in the judgment of the respective university’s chief facilities administrator requires disclosure to the system office chief facilities officer;
- T. “strategic planning” means a process that the university system engages in to guide a change in direction clearly expressing desired outcomes and establishing reporting metrics.
- U. “total project cost” is the assignable direct and indirect costs attributable to a project including professional services, construction, equipment and furnishings, and administrative costs, including fees paid for central planning and oversight activities;
- V. “variance” means significant changes, as determined by the respective university’s chief facilities administrator, in a project program, scope, budget, deliverables associated with a design-build project, schedule, funding plan, operating cost impact or other cost considerations from that which was reported at the previous approval or reporting phase of the project.

(09-19-08)

Designated approval authority under this policy may be delegated. In establishing this policy, the board contemplates that the system office chief finance officer and the system office chief facilities officer, in the officer's sole judgment, will prudently delegate the authority vested with him or her by this policy to other finance officers and facilities administrators as may be necessary for effective and efficient administration and operations and maintenance of campus facilities.

P05.12.040. Program Resource Planning Process

A. Intent

The administration will ensure integration of institution academic, research and student support programs, with the budgeting and facilities planning and project development activities. Components of this planning process include the Mission Area Analysis, Statement of Need, and Statement of Requirements. This process is intended to ensure that the university mission drives the capital planning and project development processes.

B. Development

University administrators and academic leadership shall work together to develop the documents needed for the board, system office, and other approvals as may be necessary to create, expand or change academic, research and student support activities.

P05.12.050. Campus Master Plans

A. Intent and Purpose

The administration will develop and present to the board for adoption, a campus master plan for each campus. The purpose of a campus master plan is to provide an integrated framework for investment and implementation of the respective system and university campus academic, strategic and capital plans.

B. Function;

When adopted by the board, the campus master plan governs the capital improvements plan and budget request for the campus.

C. Contents

A campus master plan will contain, at minimum, maps, plans, drawings or renderings, and text sufficient to portray and describe the intent of the campus to provide adequate facilities and infrastructure in support of the respective campus's mission. Projections will be developed for 10 years and other relevant intervals referencing and consistent with system office and other relevant campus plans such as those for housing (as required in P05.14.040), sustainability, energy, signage, utilities, residential life and others. Issues to be considered include enrollment, retention and completion rates and projections, space utilization measures, space types and deficits or overages, program and other needs to

support degree completion. The plan should include identification of short and long term investment priorities.

D. Development; Review and Update; Revision, and Amendment Process.

1. Development Process: The administration will implement a process for development of the campus master plan that allows for participation by the local government and members of the university community, including faculty, staff, and students.
2. Review and Update: A campus master plan will be reviewed and updated on a five to seven year cycle.
3. Revision and Amendment: A campus master plan may be revised or amended from time to time. An amendment to accommodate a proposed specific capital project shall be considered and approved by the board prior to consideration of the proposed capital project.

(09-19-08)

P05.12.031. Capital Improvement Planning: Facilities Requirement Analysis. P05.12.060. Capital Planning and Budget Request.

- A. Annually, within the capital budget process, each university will prepare and update a long-range capital plan proposal. The university capital plan proposals will be consolidated into a systemwide Long-range capital plan in accordance with procedures established by the system office chief finance officer and presented to the board for review and comments prior to approval. Full identification of annual cost impacts shall be identified prior to a project being included in the long-range plan.
- B. The Long-range capital plans shall be reviewed and updated annually as part of the capital and operating budget submission process.

P05.12.061. Capital Expenditure Plan Approval.

- A. Projects which consist primarily of major maintenance work, including projects which reduce the backlog of deferred maintenance and renewal, will be approved by the board as an annual program of projects at the June meeting when the new fiscal year appropriation is accepted. Changes to the board-approved program must be approved by the system office chief finance officer, with notice to the board at its next meeting.
- B. If a subsequent transfer of funding between projects or to a new project is requested for an approved pooled distribution or annual program of projects, the system office chief finance officer shall determine the level of approval required based on the size and nature of the transfer.

(09-18-03)

P05.12.062. Capital Budgets, Capital Appropriations, and Spending Authority.

- A. No spending or other commitment of state capital appropriations, grants, or the proceeds of revenue bonds or other debt financed funding for capital improvement projects will occur unless authorized in accordance with this chapter, and procedures established by the system office chief finance officer. Such authorizations will be specific to the project identified.
- B. Funds advanced for preliminary planning and design activities from operating, auxiliary, or restricted accounts may be reimbursed from capital appropriations effective for the fiscal year of the expenditure, from debt-financed sources in accordance with Internal Revenue Service requirements and notices of intent to reimburse, and from grant-funded sources in accordance with the terms of the respective grant. All reimbursements are subject to approval of the system office chief finance officer.
- C. No construction contract will be awarded for a capital project without the availability of sufficient funding on hand as outlined in the approved budget for the project, unless approved by the system office chief finance officer.

(09-18-03)

P05.12.070. Capital Project Development: General.

- A. Capital projects shall be developed through a series of approvals, reports, and other processes designed to provide various members of the campus, the local community, the system office administration, and the board with meaningful involvement in the planning and outcome of the projects. The approval and reporting processes are intended to identify significant decision points and changes in the projects, particularly decisions and changes that affect the project scope, budget or schedule, early enough for the respective approval authority to participate effectively in decision making. Projects with a Total Project Cost in excess of \$1.0 million exclusive of movable equipment will be developed and completed through the following approval and reporting phases and processes:
 - 1. Preliminary Administrative Approval – Authorization to plan a project and to develop a Project Agreement documenting the programmatic need, scope and estimated cost of the project;
 - 2. Formal Project Approval – Authorization to develop the basic design of the facility or project through creation of a schematic design;
 - 3. Schematic Design Approval – Authorization to complete the design of the facility or project, to develop construction documents, and, subject to no material changes, bid and award a contract;
 - 4. Project Change Approval – Authorization to modify the project budget or scope after schematic design approval;

5. Project Completion Budget Status – Report projected expenditure status for any remaining project balance not more than 90 days after substantial completion, and
 6. Final Project Report – Report on wrap-up of the project.
- B. Regular construction in progress reports will provide information on the status of all projects that meet reportable requirements..
- C. Maintenance Projects
1. Projects which consist primarily of repair and renewal maintenance work, including projects which reduce the backlog of deferred maintenance and renewal, will be approved by the Board as an annual program of projects at the June meeting when the new fiscal year appropriation is accepted. Changes to the Board-approved program must be approved by the chief facilities officer, with notice to the board.
 2. Maintenance Projects with a Total Project Cost in excess of \$0.5 million but not greater than \$5.0 million must be submitted for Schematic Design Approval.
 3. Maintenance Projects with a Total Project Cost greater than \$5.0 million are subject to all approval and reporting requirements.

(04-12-03)

P05.12.071. Capital Project Development: Preliminary Administrative Approval.

- A. Preliminary administrative approval represents provisional approval of a project subject to further review and analysis of the programmatic need, budget and other factors. It also represents authorization to plan the project through the facility needs analysis, programming and scoping, including development of a project agreement. Preliminary administrative approval is a prerequisite for inclusion in the long-range capital plan unless otherwise approved by the board. Requests for preliminary administrative approval should include the programmatic analysis and need statement addressed by the project, a preliminary description of the project scope, the estimated total project cost, the proposed cost and funding sources for the next phase of the project and for eventual completion of the project, the estimated operating cost impact, other cost considerations, and proposed schedule for completion.
- B. The level of approval required for preliminary administrative approval shall be based upon estimated total project costs:
1. Projects for new construction, expansion or significant remodel for reuse with an estimated total project cost of more than \$5.0 million will require approval by the president;
 2. Projects for new construction, expansion or significant remodel for reuse with an estimated total project cost of \$5.0 million or less will require approval by the system office chief finance officer.

- C. Notwithstanding the provisions of B. of this section, prior to requesting preliminary administrative approval a university may commit up to \$250,000 in unrestricted funds for initial planning, conceptualization, scoping, and design, including contracted architectural, engineering and consulting services.

(09-18-03)

P05.12.072. Capital Project Development: Formal Project Approval.

- A. Formal project approval represents approval of the Project including the program justification and need, scope, the total project cost, and funding plan for the project. It also represents authorization to complete project development through the schematic design, targeting the approved scope and budget, unless otherwise designated by the approval authority.

For projects with an estimated total project cost in excess of \$5.0 million, formal project approval is a prerequisite for the inclusion of construction funding in the university's Year One capital budget request, unless otherwise approved by the board. Requests for formal project approval shall include a record of the Academic and Student Affairs Committee approval of the program proposal, a signed Project Agreement, the proposed cost and funding sources for the next phase of the project and for eventual completion of the project, identification of project delivery method, recommended level of investment in public art, and variances including any significant or material changes in scope, budget, schedule, deliverables or prescriptive criteria associated with the project, a business plan which identifies: the project phase(s), remodeling requirements due to vacancies created in existing buildings, funding plan for both program and capital project costs, operating cost impact, or other cost considerations from the time the project received preliminary administrative approval.

- B. If a project will include multiple phases of construction for funding or other reasons, it is preferable to describe all planned phases at this approval step. Requests submitted for Schematic Design Approval request should cover the particular phase(s) funded at time request is submitted.
- C. The level of approval required for formal project approval shall be based upon estimated total project costs:
 - 1. Projects with an estimated total project cost in excess of \$5.0 million will require approval by the board based on recommendations from the regents' committee responsible for facilities;
 - 2. Projects with an estimated total project cost in excess of \$2.0 million but not more than \$5.0 million will require approval by the regents' committee responsible for facilities. The committee may delegate approval authority to the committee chair as it determines is convenient and appropriate;
 - 3. Projects with an estimated total project cost of \$2.0 million or less will require approval by the system office chief finance officer.

P05.12.073. Capital Project Development: Schematic Design Approval.

- A. Schematic design approval represents approval of the location of the facility; its relationship to other facilities; the functional relationship of interior areas; the basic design including construction materials, mechanical, electrical, technology infrastructure and telecommunications systems; and any changes to the project since formal project approval. The board may not grant schematic design approval for a capital project unless it implements or amends the adopted campus master plan.
- B. Unless otherwise designated by the approval authority or a material change in the project is subsequently identified, Schematic Design Approval also represents approval of the proposed cost of the funded phase(s) of the project and authorization to complete the design development process, to bid and award a contract within the approved budget, and to proceed to completion of project construction. Provided however, if a material change in the project is subsequently identified, such change will be subject to the approval process described in P05.12.074.
- C. Requests for schematic design approval should include a narrative description of the project, a project budget, identification of the funding plan for construction and operations costs, statements affirming compliance with this policy, campus master plan and the Project Agreement and applicable design guidelines; drawings and cost estimates in sufficient detail to enable the approval authority to review site development, functional relationship of the interior areas, exterior design of the facility, principle building systems and materials used for construction, energy management, expected space utilization, and design efficiency rate.
- D. The request for schematic design approval shall identify any significant or material changes in scope, cost, schedule, funding plan, operating cost impact, or other cost considerations from the time the project received formal project approval.
- E. Schematic design approval levels shall be as follows:
 - 1. Projects with an estimated total project cost in excess of \$5.0 million will require approval by the board based on recommendations from the regents' committee responsible for facilities;
 - 2. Projects with an estimated total project cost of more than \$2.0 million but not more than \$5.0 million will require approval by the regents' committee responsible for facilities. The committee may delegate approval authority to the committee chair as it determines is convenient and appropriate;
 - 3. Projects with an estimated total project cost of \$2.0 million or less will require approval by the system office chief finance officer.

P05.12.074. Capital Project Development: Approval Levels for Project Changes in Funding Sources, Total Project Cost, Scope or Schedule Subsequent to Schematic Design Approvals

Approval of project change(s) is required for projects which exceed the authority level delegated to the universities or cause a project to exceed that level. Approval levels required for material changes in the source of funds, increases in budget, or material changes in project scope or schedule identified subsequent to schematic design approval shall be determined by the system office chief facilities officer based on the extent of the change and other relevant circumstances. This determination requires judgment, but will generally be based on the nature of the funding source, the amount, the impact on occupancy schedule and the budgetary or equivalent scope impact relative to the approved budget at the schematic design approval stage, and assigned as follows:

- A. Changes with an estimated or actual project budget impact in excess of the lesser of 1) greater than 25% of the total project cost or 2) greater than \$2.5 million or with a schedule delay impact of two academic semesters or more will require approval by the regents' committee responsible for facilities;

- B. Changes to projects with a total project cost greater than \$0.5 million that do not require approval by the regents' committee responsible for facilities will require approval by the system office chief finance officer.

(06-07-12)

P05.12.075. Capital Project Development: Construction in Progress Reporting.

- A. On a regular basis the chief facilities administrator for each university shall prepare, in accordance with procedures established by the system office chief facilities officer, a status report for all projects with an estimated total project cost in excess of \$250,000 for community campuses and \$1.0 million for main campuses, or those projects that the system office chief facilities officer deems due to their location or complexity to be of particular interest to the board including both ongoing projects and those projects that were completed, abandoned or discontinued during the period.

- B. At each regular meeting of the regents' committee responsible for facilities, the system office chief facilities officer shall report on construction in progress, providing a status report on all projects that required formal project approval at the regents' committee responsible for facilities or higher level, and such other projects that are deemed by the system office chief finance officer to be of particular importance to the board.

(09-18-03)

P05.12.076. Capital Project Development: Post-Occupancy and Final Project Reports.

- A. The post-occupancy report shall be filed not more than 90 days after beginning occupancy of any board-approved projects of more than \$5.0 million, including new construction, expansion and significant remodel for reuse. The post-occupancy report must identify

project funding balances and expected priorities for spending any remaining balances, significant changes in scope, budget, schedule, funding plan, operating cost impact, anticipated expenditures and project balance through project closeout, or other cost considerations since issuance of the construction contract award report, and an explanation of any significant circumstances surrounding project completion, including lessons learned. Such reports shall be maintained in a manner so as to allow incorporation into the regular construction in progress report.

- B. The final project report shall be filed within 90 days after the end of the warranty period for all Board-approved projects of more than \$5.0 million, including new construction, expansion and significant remodel for reuse. The final project report will update the post-occupancy report including a variance report identifying any significant changes in scope, budget, schedule, funding plan, operating cost impact, or other cost considerations since issuance of the construction contract award report, and an explanation of any significant circumstances surrounding project completion or its discontinuance. Such reports shall be maintained in a manner so as to allow incorporation into the regular construction in progress report.
- C. Upon determination that a project has been abandoned, discontinued or shelved with no further action anticipated for a considerable time, or consolidated with another project or projects, the responsible chief facilities administrator shall prepare a final project report and closeout the project.

(09-18-03)

P05.12.077 Capital Project Development: Approval Levels for Projects That Have Not Been Subject to the Defined Planning and Approval Process.

- A. For projects that have not been subject to the normal planning, budget, and approval processes described in this chapter, the level of approval required for formal project approval shall be as follows:
 - 1. Projects with an estimated total project cost of in excess of \$5.0 million will require approval by the board based on recommendations from the regents' committee responsible for facilities.
 - 2. Projects with an estimated total project cost in excess of \$2.0 million but not more than \$5.0 million will require approval by the regents' committee responsible for facilities. The committee may delegate approval authority to the committee chair as it determines is convenient and appropriate.
 - 3. Projects with an estimated total project cost of \$2.0 million or less will require approval by the chief finance officer.
- B. If multiple projects are bundled in order to solicit lower prices or for efficiency or other purposes and the aggregate cost exceeds the normal approval level, the system office chief finance officer shall determine the level of approval required based on the funding sources and the size and nature of the projects.

- C. The system office chief finance officer approval will be required if a single appropriation is split into funding for multiple projects.

(09-18-03)

P05.12.080. Operations and Maintenance.

- A. The annual need for maintenance and repair shall be fully funded in the annual operating budget of the university unless otherwise directed or approved by the board. In addition, the funding for facility renewal and replacement as well as elimination of accumulated deferred renewal will be included in the capital budget request and long range capital plan. At a minimum, an amount equal to the annual M&R need shall be expended on routine maintenance and repair, major repairs, whether current or deferred, and mandated improvements. Unless the scope of remodeling to accommodate tenant occupancy is minor, it may not be included when reporting on M&R annual stewardship expenditures and should be reported as expenses for alterations or capital improvements for asset reinvestment.
- B. An annual maintenance plan shall be developed by the chief facilities administrators of the respective universities and provided to the system office chief finance officer.
- C. On an annual basis, the system office chief finance officer will cause to be compiled a report identifying for each university and the system office the:
 - 1. prior fiscal year actual operating and capital expenditures for M&R and R&R support;
 - 2. current fiscal year's budgeted operating and capital commitment for M&R and R&R;
 - 3. current annual calculated need for M&R and R&R;
 - 4. current estimate of accumulated deferred renewal; and
 - 5. the status of ongoing deferred renewal projects.
- D. The annual R&R funding will be determined based on type of use and occupancy of a facility. For facilities that are leased to, or substantially utilized by, university auxiliaries or non-university entities, annual R&R requirements will be fully funded in the operating or capital budget unless otherwise approved by the system office chief finance officer.

P05.12.090. Naming of Campus Facilities: Formal Naming of Campus Facilities and Infrastructure.

- A. Official naming of all "significant" buildings, building subcomponents such as wings, additions, auditoriums, and libraries, streets, parks, recreational areas, plazas and similar facilities or sites will be approved by the board. These facilities, improvements and areas will generally be named to honor or memorialize specific individuals, groups, events,

places, or objects of historic, geographic, cultural, or local significance, including the following:

1. Former members of the board and the University of Alaska Foundation's Board of Trustees;
 2. Distinguished former university presidents, chancellors, faculty, staff, and alumni of the university;
 3. Distinguished Alaskans and others who have made outstanding contributions to society, the nation, the state, or the university;
 4. Contributors of substantial financial or other support to the university, including donations provided for under P05.14.080; and
 5. Alaska rivers, mountains, flora, fauna, cities, or communities.
- B. Each chancellor shall establish standing or ad hoc advisory committees to make recommendations on the naming of facilities, improvements and other areas of the campus, and to help identify naming opportunities for gifting and development purposes. Recommendations for a naming to honor or memorialize an individual shall be confidential to the maximum extent permitted by law.
- C. Unless otherwise directed by motion of the board, the name of an existing facility, improvement or area, which was named in honor of or to memorialize a specific individual, group, event, place, or an object of historic, geographic, cultural, or local significance, will remain for the life of the facility or improvement. Unless specifically authorized by the board, the name of a facility to be demolished will not be transferred to a new facility.
- D. The president is authorized to determine which namings will be considered "significant" for purposes of approval by the board. In making that determination, the president shall consider the type, location, usage, condition, and value of the facility or area to be named; the individual, event or other to be memorialized; and the compatibility of the name with the facility or other improvement.
- E. The board reserves the right to rename any facility when, in its sole discretion, it determines that the renaming is in the best interest of the university.

(06-10-04)

P05.12.091. Functional, Descriptive, or Directional Naming of Facilities and Infrastructure Improvements.

Functional, descriptive, and directional naming of facilities, improvements, or areas shall be approved in accordance with university rules and procedures.

(06-10-04)

P05.12.092. Contractual Opportunities for Naming Facilities and Improvements.

Commercial contracts to name university facilities shall be in accordance with P05.14. . Criteria for approval shall include compatibility of the contracting party's image and advertising with that of the university.

(06-10-04)

P05.12.100. Public Use of Facilities.

Facilities of the university will be open to the public for educational, recreational, cultural activities, and other use in accordance with use priorities and other requirements as may be set forth in university regulation and campus procedures.

(06-20-97)

P05.12.101. Campus Solicitation.

All canvassing, peddling, or solicitation on university grounds or in university buildings will be subject to university regulation and campus procedures as to time, manner, and place.

(06-20-97)

P05.12.102. Smoking in University of Alaska Buildings.

Smoking will be prohibited in all nonresidential university facilities open to the public and all public areas of all residential university facilities.

(06-20-97)

P05.12.103. Alcoholic Beverages on Campus.

Persons who have reached the statutory drinking age are permitted to possess and consume alcoholic beverages on university campuses as provided by applicable university regulation, campus procedures, and all applicable laws and regulations.

(06-20-97)

P05.12.104. Marijuana and Other Illegal Substances.

Possession or use of marijuana or any other substance controlled pursuant to 21 U.S.C. 841 et seq. anywhere on university property is prohibited. Violations of this policy will result in disciplinary action, as provided by applicable university regulation, campus procedures, and all applicable laws and regulations.

(06-20-97)

P05.12.110. Art in University Facilities and Spaces.

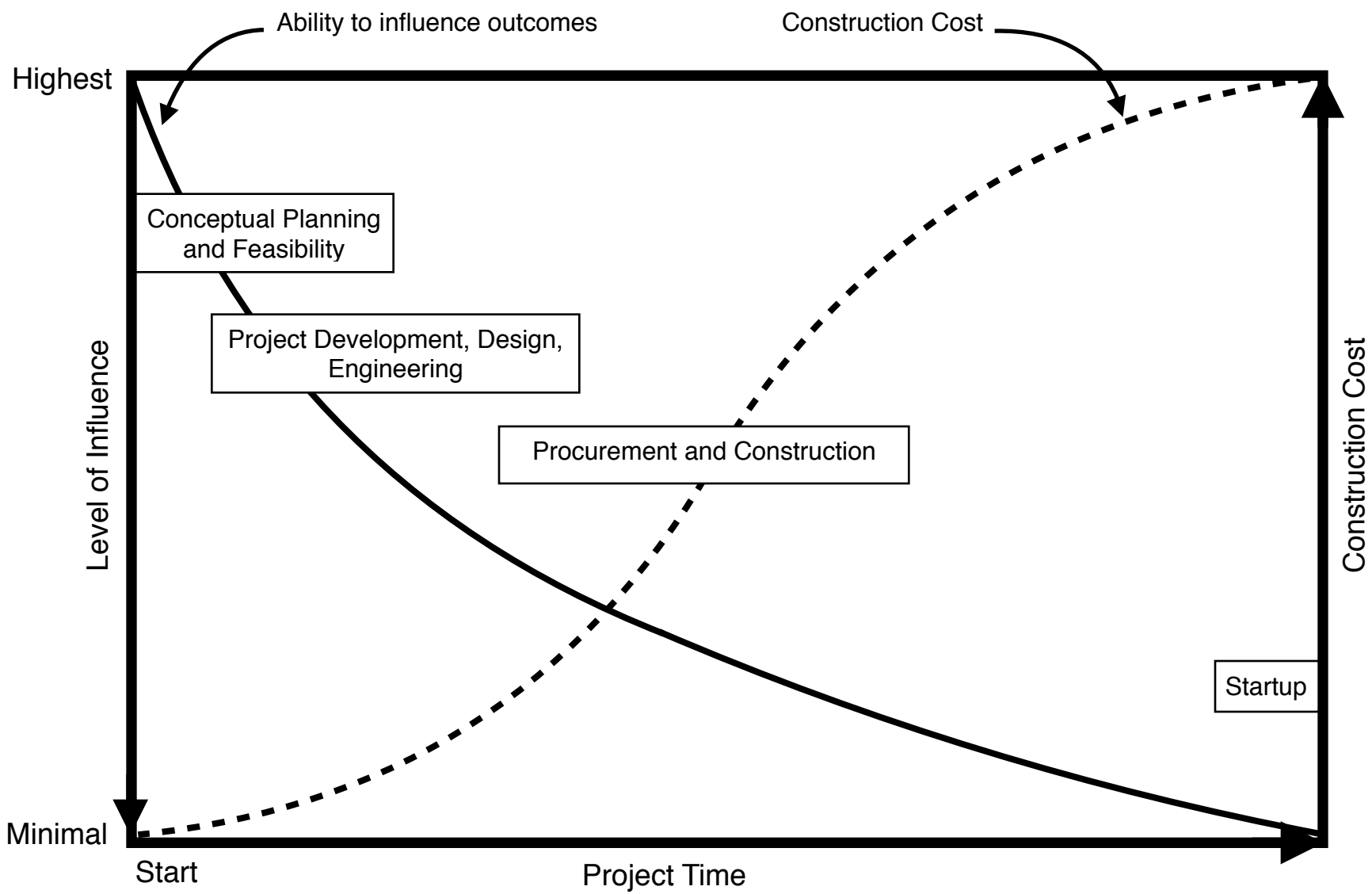
A. The university supports the Alaska State Council for the Arts and its public art program and has adopted the following goals for art in university facilities and other spaces:

1. to be an educational resource for art to university students, employees, and visitors;
2. to link, through imagery and symbolism, the art with the activities of a campus and its facilities;

3. to foster Alaskan art and encourage Alaska's artists and craftsmen;
 4. to include representatives of the community, the campus, and occupants of the facility in the selection of art to be displayed; and
- B. Each capital project for new construction, expansion or significant remodel for reuse shall include separately identifiable amounts in the project budget with a target of between one-half and one percent of the construction budget, regardless of funding source.
- C. The selection of artwork purchased with capital appropriations shall be by a committee appointed by the university Chancellor where the capital project is located. Each selection committee will be governed by university regulations and have autonomy in the selection. The acceptance of donations of major works of art will be governed by university regulation.

(06-20-97)

- D. Each university chancellor is to make provisions for management and maintenance of their public art collection.



As the expenditure of project funds increases, the ability to influence outcomes without substantial cost impact is decreased.

(Modified from: http://pmbok.ce.cmu.edu/IMAGES/fig2_3.gif)