

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

Recommendations made by the regents in attendance at the August 12, 2014 work session and comments received prior to that meeting have been incorporated into this version of the policy.

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 university. 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 proposed 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 to replace “tenant improvements”*)
- 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 alterations and 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. Mission area analysis(*added term*)
- I. New construction
- J. Operating cost
- K. Other cost considerations
- L. Program resource planning process(*added term*)
- M. Project agreement(*adds requirement to document material variances*)
- N. Project budget
- O. Renewal and replacement (R&R)
- P. Reportable leased facilities
- Q. Significant change
(*Clarifications made to distinguish between significant and material change – significant requires **informing** the appropriate approval level, while material requires **obtaining approval.***)
- R. Statement of need(*added term*)
- S. Statement of requirements(*added term*)
- 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 Report
(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.

- 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 \$2.0 million; and by the system office chief finance officer or designee as total project cost of \$2.0 million or less.
(FLMC decided to retain the current approval levels for PAAs)
- C. Provides for university commitment of up to \$250,000 in unrestricted funds for planning prior to requesting preliminary administrative approval.
(FLMC supports increasing the limit to \$250,000 and transferring the responsibility for approving the expenditure to the university chancellor or his designee.)

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.

- 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.
(FLMC supports increasing approval levels at FPA and SDA level as proposed)

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 P05.12.076.
- 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.
(FLMC supports increasing approval levels at FPA and SDA level as proposed)

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

(FLMC did not think that schedule changes alone should require a project change request. Schedule changes should be reported to the board as early as possible.)

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

FLMC recommended changing the approval levels as proposed.

- 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) 25% of total project cost, or 2) \$2.5 million.
- 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.

FLMC recommended changing the approval levels as proposed.

- 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 or program driven “alterations and 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 P05.14.080 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 clarify establishing a project budget 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 inventory management and maintenance of the public art collection.

(Adds new item 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 The UA strategic and academic guidance as well as the academic and programmatic needs of each campus will drive the~~

respective facilities functions and the board 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 university, MAU, 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” means 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 ~~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. “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. The mission area analysis is a component of the Program Resource Planning Process;
- HI. “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;
- IJ. “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;
- JK. “other cost considerations” means the consequential or other costs associated with the project ~~and/or~~ 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;
- L. “program resource planning process” means a process that 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;
- KM. “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.~~

- AN. “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;”
- LO. “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;~~
- MP. “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 defined stated in AS 36.30.080 (c);
- NQ. “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;
- R. “statement of need” means a concise summary of the compelling facts derived from the mission area analysis document; is submitted to Statewide Academic Council as appropriate and to the Academic and Student Affairs Committee of the BoR as required. The statement of need is a component of the Program Resource Planning Process;
- S. “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. The statement of requirements is a component of the Program Resource Planning Process;
- 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 means~~ 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~~ 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 integrate 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 will 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.

B-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 P05.15.040), 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 and at a minimum 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.~~

DE. Development Process; Review and Update; Revision and Amendment

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 board 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-cycle annual 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~~shall include the mission area analysis and statement of need that document the necessity for 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 \$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 \$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 will describe all planned phases at this approval step. Requests submitted for Schematic Design Approval shall cover the particular phase(s) funded at the time that the 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'~~ BoR 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'~~ BoR 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 will 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~~ shall 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' BoR 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' BoR 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 \$2.04.0 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 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 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, 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) 25% of the total project cost or 2) \$2.5 \$1.0 million will require approval by ~~the board based on recommendations from~~ the regents' BoR 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 BoR 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'~~ BoR 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'~~ BoR 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 shall 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' BoR~~ 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' BoR~~ 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 P05.14.080 and R05.14.080. ~~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 will make provisions for inventory 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 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. The UA strategic and academic guidance as well as the academic and programmatic needs of each campus will drive the respective facilities functions and the board 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 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” means 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. “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. The mission area analysis is a component of the Program Resource Planning Process;
- I. “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;
- J. “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;
- K. “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;
- L. “program resource planning process” means a process that 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;
- M. “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.
- N. “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;”

- O. “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;
- P. “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);
- Q. “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;
- R. “statement of need” means a concise summary of the compelling facts derived from the mission area analysis document; is submitted to Statewide Academic Council as appropriate and to the Academic and Student Affairs Committee of the BoR as required. The statement of need is a component of the Program Resource Planning Process;
- S. “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. The statement of requirements is a component of the Program Resource Planning Process;
- 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” means 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)

P05.12.030. Delegation of Authority

Designated approval authority under this policy may be delegated. The system office chief finance officer and the system office chief facilities officer, in the officers’ 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 integrate 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 will 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 P05.15.040), 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 and at a minimum the plan should include identification of short and long term investment priorities.

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

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)

P05.12.060. 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 board 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 shall include the mission area analysis and statement of need that document the necessity for 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 \$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 \$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 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 will describe all planned phases at this approval step. Requests submitted for Schematic Design Approval shall cover the particular phase(s) funded at the time that the 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 BoR 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 BoR 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.

(09-18-03)

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 will 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. 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 shall 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 BoR 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 BoR 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.

(06-07-12)

P05.12.074. Capital Project Development: Approval Levels for Project Changes in Funding Sources, Total Project Cost, or Scope 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 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 will generally be based on the nature of the funding source, the amount, 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) 25% of the total project cost or 2) \$2.5 million will require approval by the BoR 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 BoR 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 BoR 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 BoR 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 shall 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 BoR 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 BoR 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 P05.14.080 and R05.14.080. 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 will make provisions for inventory management and maintenance of their public art collection.