



Manual of Policy and Procedures

Title CAPITAL CONSTRUCTION	Number 428	Page 1 of 3
	Date 5/26/16	

PURPOSE

This policy provides direction to the colleges for capital project management and to ensure that the financial resources allocated to such projects are used in a manner that reflects prudent and responsible management practices. This policy creates an orderly, efficient and coordinated system to plan, budget, and implement capital projects at all VSC institutions.

STATEMENT OF POLICY

This policy applies to all VSC capital construction, renovation and maintenance projects. VSC facilities will be constructed, renovated, and maintained at the highest possible standard within available resources.

The Chancellor shall adopt and update as necessary procedures implementing this policy in a document titled the “VSC Construction Manual.” Construction, renovation and maintenance projects shall be accomplished in accordance with this Policy, the VSC Construction Manual, other VSC Policies, and applicable state and federal laws and regulations.

Project Levels

In order to use available construction funds and staff time efficiently and to maintain consistency, all construction projects will be classified into one of three levels of project categories during the initial project review meeting. At this meeting, administrative responsibilities of VSC and college staff will be determined.

Level I projects are those that, at the outset, are estimated to cost less than \$100,000 in total. Level I projects will be organized and administered at each college with purchase orders, invoice review and approval completed by each campus. However, where professional services are involved, contracts will be issued by the Office of the Chancellor. VSC pre-approved vendors should be used to complete these projects.

Competitive bids shall be required for Level I projects with the college soliciting at least three bids from qualified providers unless the Pre-approved vendors list is used.

Level II projects are those that, at the outset, are estimated to cost between \$100,000 and \$250,000 in total. These projects generally involve alterations or renovations of existing buildings or more complex maintenance projects and will typically require the contracted services design professionals. Contracts for professional services will be issued and administered through the VSC Office of the Chancellor.

All contract invoice payments resulting from Level II projects will be issued from the Office of the Chancellor, with review and approval by the VSC Director of Facilities and the college Dean of Administration, or designee. In the event that professional services are not used, and accordingly no contracts issued, the purchase orders and invoice review and approval will be issued and administered at the campus.

All Level II projects shall be competitively bid with the college soliciting at least three bids from qualified providers.

Level III projects are those that, at the outset, are estimated to exceed \$250,000 in total cost. Level III projects require contracts that will be issued and administered through the VSC Office of the Chancellor. All contract invoice payments resulting from Level III projects will be issued from the Office of the Chancellor, with review and approval by the VSC Director of Facilities and the Dean of Administration, or designee.

All Level III projects shall be competitively bid with the college soliciting at least three bids from qualified providers.

Construction Projects Over Budget

The College President or designee shall authorize in writing any construction project costs that exceed by 10% the budget used at the outset of the project to determine under which level the project would fall.

Exception to Competitive Bidding

Competitive bidding exceptions may be authorized by the VSC Director of Facilities, in consultation with the Chancellor, in cases where competitive bidding is not reasonably practicable. Examples include a project that requires a unique service or product that only one particular vendor provides.

Reporting

The VSC shall report to the Board of Trustees at each regular meeting on the status of each ongoing capital construction project. Such status report shall include notation of the original budgeted costs and the then-current projected project costs.

Definitions:

“Capital Construction” means construction of a new building or buildings or building improvements estimated to have a cost of at least \$25,000 and a twenty-year useful life. The term shall also include site development and improvements to land, construction or improvements to infrastructure, and construction in connection with leased lands or structures.

“Pre-Approved Vendor List” means a current list of service providers and contractors that has been reviewed and approved for work at the VSC. All of the companies on the list have submitted to the VSC packages that contain, among other items, their company information, references and certificate of liability insurance. The list is found in the VSC Construction Manual.

“Solicit” means to request bids through public advertisement or vendor-specific invitation. The Colleges and the Chancellor’s Office shall maintain records of any such solicitation for the period specified in the VSC Records Retention Policy.

AUTHORITY

The Chancellor’s Office and each College shall, in writing, specify which officials are authorized to enter into contracts in connection with capital construction. All those with such authority on behalf of a College or the VSC shall exercise their authority in full compliance with Policy 429 and the Chancellor’s Standards and Procedures: Contracting for Purchases or Leases of Goods, Services and Equipment. Any activity or expense related to federal grants or contracts must comply with *2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, in addition to the provisions above.

Signed by: _____ Jeb Spaulding, Chancellor
