



## 42.001: Capital Outlay Policies and Procedures

**Responsible Executive:** Vice President for Finance and Business  
**Responsible Office:** Office of Associate Vice President for Facilities Management  
**Related Policy:**  
**Approved-On Date:** April 7, 2009 General Counsel  
April 20, 2009 Executive Cabinet  
**Effective Date:** April 20, 2009  
**Revision Date:**

### Policy Statement

All capital projects, leased and portable facilities and equipment shall be executed and managed in adherence to the Bureau of Capital Outlay Management Construction and Professional Services Manual (CPSM) and the Agency Procurement and Surplus Property Manual (APSPM).

The following objectives must be met:

1. University facilities must be designed, constructed, renovated and maintained in accordance with the Virginia Uniform Statewide Building Code (VUSBC) and ADA Accessibility Guidelines (ADAAG) regarding acceptable accessibility.
2. The University must comply with building permit procedures developed and enforced by the Virginia Department of General Services.
3. The design, construction, renovation, maintenance and repair of University facilities must be accomplished in a manner consistent with the University's master plan, historic preservation concerns, University standards of quality and aesthetics, and environmental health and safety standards.
4. The public and private investment in the University's facilities must be protected by providing appropriate control over the manner in which they are maintained and renovated.
5. The University's construction and procurement records for its facilities must be kept current and centralized.
6. The work performed on University facilities must be done by qualified contractors and tradesmen in accordance with guidelines established by the Bureau of Capital Outlay Management (BCOM).

## **Scope**

Policies and procedures contained herein apply to the facilities personnel responsible for University capital projects.

## **Purpose**

The purpose of this policy is to assure University projects receive institutional review and approval in accordance with state guidelines prior to initiation and throughout the project duration. Proper coordination with all affected University activities is necessary to ensure University objectives are achieved. The Associate Vice President for Facilities through the Director of Capital Planning and Improvement is responsible for the design, construction and renovation of the University's buildings and grounds.

## **Procedures**

### **I. Project Development**

1. The Capital Outlay process begins with a preplanning study which is primarily a narrative of the University's needs and ideas for capital outlay projects. The study includes preliminary drawings and estimated costs based on square footage and a regional standard mean cost per square foot.
2. The Director of Capital Planning and Improvement will initiate University approved projects by seeking authorization from BCOM through the completion and submission of the "Authority to Initiate Capital Outlay Project" (Form CO-2). The CO-2 approvals are coordinated with BCOM in accordance with the Commonwealth of Virginia Construction and Professional Services Manual (CPSM) for capital projects.

### **II. Procurement of Professional Services**

Upon receiving authorization from BCOM, the University advertises and selects an Architect/Engineer (A/E) services firm in accordance with the CPSM. Once the A/E firm has been selected, a fee is negotiated based on the Capital Outlay Manual Fee Schedule. A "Contract Form for Employment of Architect or Engineer" (Form CO-3) which includes information on the A/E firm chosen and the selection process is then submitted to the Vice President for Finance and Business for review and approval. The Facilities Procurement Officer and the Director of Capital Planning and Improvement maintains a file of the procurement solicitation, evaluation and award process. The A/E firm's professional license is confirmed with the Department of Professional and Occupational Regulations (DPOR) as part of the evaluation process.

### **III. Design Reviews and Approvals**

1. Preliminary drawings, basis of design narrative, building systems, equipment checklist and cost estimate is submitted to BCOM for review along with the “Application for Approval of Preliminary Drawings and Specifications” (Form CO-5).
2. BCOM’s review comments are incorporated in the working drawings and specifications and final construction documents are completed. The University submits final working drawings and specifications to BCOM, the Division of Soil and Waste Conservation, and other reviewing agencies. The “Approval of Working Drawings and Specifications and Authorization to Advertise for Bids” (Form CO-6) and the final cost estimate accompanies the submittal to BCOM. After BCOM approval, the University is authorized to advertise for project bids. A completed “Application for Building Permit” (Form CO-17a) is submitted to BCOM for approval and conformance with The Uniform Statewide Building Code.

### **IV. Proprietary and Sole Source Specifications**

In most cases, the University will seek to avoid proprietary or sole source specifications. Where specialized equipment or services are required, the Director of Capital Planning and Improvement will work with the Facilities Procurement Officer in developing sole source or proprietary specifications, and justifications supporting their use. All sole source requests will be reviewed and approved by BCOM or the Vice President for Finance and Business as warranted.

### **V. Construction Bids and Proposals**

1. An “Invitation for Bid” (IFB) is advertised in accordance with CPSM and a pre-bid meeting is held with interested contractors. All bids are reviewed per the CPSM guidelines. If the lowest bid is equal to or less than the University’s construction estimate the “Approval of Working Drawings and Specifications” (Form CO-6), “Authorization to Advertise for Bids” and “Approval to Award Construction Contract” (Form CO-8) can be approved by the University Contracting Officer. Copies of the bid tabulation are maintained on file in the Facilities Procurement Office. When the apparent low responsive and responsible bidder is determined, the CO-8 Form, “Approval to Award Construction Contract” is prepared. If the lowest bid exceeds the construction estimate, the bid tabulation and CO-8 Form, “Approval to Award Construction Contract” must be forwarded to BCOM with a recommendation to accept the bid, identify a fund source for the additional funds required/request additional funds, and request for the Division of Engineering and Building to award the contract. When the CO-8 is approved, the University is authorized to award the construction contract. The project budget on the CO-8 will reflect the proposed contract amount,

A/E fees, supervision, equipment, and a maximum of 5% above the contract amount for construction contingencies.

2. Upon completion of the bid process, the contract is awarded and the “Commonwealth of Virginia Contract between Owner and Contractor” (Form CO-9), “Notice of Intent to Award” (Form CO-9.1), Notice of Award (Form CO-9.1a) and the “Notice to Proceed” (Form CO-9.2) are completed. The Agency Head or designee approves the Contract between Owner and Contractor (CO-9). The Standard Performance Bond (Form CO-10) must be submitted by the contractor to the University for approval by the Attorney General’s Office prior to the signing of the CO-9.

## **VI. Change Orders**

The University will observe the current requirements of the CPSM in the approval process and the administration of change orders. A “Contract Change Order” (Form CO-11) for construction contracts is processed and submitted for approval for all contract changes involving contract cost or contract performance time. An “Architect/Engineer Contract Change Order” (Form CO-11a/e) and “Change Order Justification/A/E’s” (Form CO-11a) may be necessary during the course of design and /or construction. Changes orders involving an increase in contract price of more than 25% or \$50,000, whichever is greater, shall have the prior written approval of the governor or his designee.

## **VII. Alternate Project Delivery Methods**

The Agency Head or designee will request approval to use alternate project delivery methods such as Design-Build or Construction Management at Risk for projects within the scope of this policy in accordance with the CPSM.

## **VIII. Project Monitoring**

1. Monitoring of the project shall be conducted in accordance with the CPSM.
2. As part of the basic services contract, the A/E firm will provide assistance in soliciting bids, opening bids, reviewing submittals, inspections, reviewing and certifying contractor payment requests, issuing clarification of documents, issuing field orders, processing change orders, and performing other functions associated with contract administration. A project manager and project inspector are assigned to every capital project.
3. The University representatives, A/E firm and Contractor shall hold regular bi-weekly construction progress meetings. The A/E will review and approve the format and breakdown of the proposed schedule of values as well as review and approve the contractor’s monthly submittal of the ”Schedule of Values and Certificate for Payment” (Form CO-12). The certificate is forwarded to

the Associate Vice President for Facilities for authorization of payment. Minutes are recorded, distributed for review and comment, and become part of the permanent project records.

## **IX. Project Commissioning**

Project “commissioning” services may be contracted for the inspection of HVAC systems by an independent commissioning agent.

## **X. Project Closeout**

1. Once it has been confirmed that a project is substantially complete as documented by the walk-through inspection, the “Commonwealth of Virginia Affidavit of Payment of Claims” (Form CO-13), “Certificate of Completion by Architect/Engineer or Project Manager” (Form CO 13.1), and “Certificate of Completion by Contractor” (Form CO-13.2) are completed and submitted to BCOM. Upon final inspection and approval by BCOM, the “Certificate of Use and Occupancy” (Form CO-13.3a) is issued to the University which indicates the building can be occupied. Certification is required from the State Fire Marshall before the University can take occupancy of the building. The University may take occupancy of the building even though punch list items remain. However, the contractor is required to complete all punch list items within thirty (30) days of the University receiving the Certificate of Use and Occupancy.
2. The contractor is required to submit through the A/E, final documentation related to operation manuals, warranties, inspection reports, and as-built drawings. The contractor shall provide training courses to designated University maintenance personnel.
3. The “Project Completion Report” (Form CO-14) is completed and submitted to the Division of Engineering and Building within 60 days after final inspection. This report states the total cost of the project and the assigned Fixed Asset Accounting and Control System (FAACS) number. To properly close a project, the University must submit to the Director of BCOM a copy of the final CO-12, CO-13, CO-13.2 and CO-14.