

Policy Number: 7-109	Policy Name: Project Approval
Policy Revision Dates: 06/2009, 04/2009, 6/05, 9/01, 1/99 (Previously 7-105 Project Approval Phase 7/93, 6/92, 6/90, 5/89, 1/88)	Page 1

7-109 Project Approval

- A. Applicability: The Project Approval Phase will be used for those projects granted Project Implementation Approval by the Board.
- B. Phase Description:
 - 1. The purpose of the Project Approval phase is to allow for review of updated project information and data as the university initiates the bidding and construction process.
 - 2. Project Approval shall include the following steps:
 - a. Information and data presented in the Project Implementation Approval document is revised where necessary.
 - b. Construction documents are near completion.
 - c. Bid advertising date is established for projects utilizing the design/build process; or a guaranteed maximum price has been obtained utilizing the design/build or construction-manager-at-risk process.
 - d. Information on the final total project cost estimate, including the independent cost verification process.
 - e. Project Approval documents are transmitted to the Central Office and reviewed with the university.
 - 3. Level of Board Review
 - a. Projects with a total project cost between \$5,000,000 and \$20,000,000 may be granted project approval by the Capital Committee based upon the budget, schedule, scope, and other considerations as warranted. At the Committee's discretion, any project approval request may be presented to the Board as circumstances warrant.

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- b. Projects with a total project cost greater than \$20,000,000 should be reviewed by the Capital Committee and approved by the Board.

C. University Procedures:

- 1. If the project program has changed materially or the budget has increased by more than five percent (5%) of the estimated total project cost since the granting of Project Implementation Approval, the university must seek Capital Committee review and Board approval prior to advertising for bids.
- 2. If the project is on budget, schedule, and within scope, the university may advertise for bids prior to review by the Capital Committee but after submitting the Project Approval documents to the Central Office. This provision is provided for those situations where it can be demonstrated by the university that the accelerated schedule is likely to result in cost savings or advantages to the users. The university must include in the Project Approval documents a rationale for advertising for bids prior to Capital Committee review.

D. Authority Granted by Project Approval:

- 1. The university may advertise for bids and proceed to the Project Construction Phase.
- 2. Capital Committee approval is required for increases in total project cost that do not exceed five percent (5%) of the estimated total project cost.
- 3. A project forfeits the authority granted by Project Approval, and must be resubmitted for Capital Committee review and Board approval, if:
 - a. As a result of additive and deductive alternatives or other causes, the project requires reassigning or changing fifteen percent (15%) or more of the net assignable square feet, or

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- b. The total project cost increase is greater than five percent (5%) of the estimated total project cost.
- c. The university does not initiate construction within twelve (12) months of bid opening.