LONG ISLAND UNIVERSITY

PROCEDURES FOR CAPITAL PROJECTS THAT EXCEED $25,000

1. **Project Creation**
   a. A determination is made to undertake a project exceeding $25,000 to be funded from the capital budget.
   b. Person requesting funding (Project Point Person/PPP) prepares a **CAPITAL REQUEST FORM**, obtains necessary signatures, and submits the completed form to the Controller's Office. Person completing the request should research the numbers reflected in the estimated cost column (although not a final number this number should be a close guesstimate). The PPP should indicate the source of funding on the form (annual capital or CIP).
   c. To be processed by the Controller's Office, the form must be approved by:
      i. the Director of Facilities/Buildings and Grounds
      ii. Assoc. VP for Capital Projects
      iii. Campus Provost,
      iv. President
      v. VP for Finance and Treasurer.
   d. A project kick off meeting is scheduled to be attended by the Director of Facilities/Buildings and Grounds, the VP for Capital Projects, the University Budget Director, the Director of Purchasing, a representative tenant for the new space, and other impacted parties as necessary. Items to be discussed at the meeting include:
      i. The estimated costs as submitted on the Capital Project Request Form to determine if any additional costs need to be included or updated.
      ii. Development and validation of a schedule of key dates and deadlines:
         1. Expected completion project completion date
         2. Bid Due Date
         3. Date for Award of Contract
         4. Expected Start Date
         5. Publishing dates and papers(if advertising is required).
      ii. Establish equipment list of long lead items to be ordered first.
      iii. Identify furniture needed (quantity, type, model, budget).
      iv. Discuss HVAC, equipment needed, lighting, ceiling, flooring, wall covering, etc.
      v. Discuss procedures and protocols for possible change orders, built-in contingency and whether we will request contractor to use the AIA G704 Certificate of Substantial Completion Form.
      vi. Discuss possibility of asbestos abatement, testing and additional insurance.
      vii. Discuss list of bidders to invite.

2. **Bidding Procedures**

a. The PPP supplies detailed scope of work to Purchasing Department including:
   i. Detailed specifications
   ii. Drawings
b. The Purchasing Department inserts the instructions to bidders, T&C, Work Practices Form, Non Collusive Form, Bid Form, Qualifications of Bidders Form, Sample Documents (e.g. AIA forms), Reference Form, Insurance Rider, Proposed Equivalent and Substitution Form.
c. The Purchasing Department sends bid documents to Proposed Bidders.
d. Questions from bidders will be answered via email and forwarded to all bidders.
e. Addendums, if applicable, are added to the Bid Document and forwarded to each bidder.
f. The bids are opened by the Purchasing Department on the Bid Due Date. All bids are scanned and sent to the PPP who reviews the bids and, if applicable, meets with all Contractors to review the bids.
g. If bids are higher than the project cost estimate, the PPP must either change the scope of work or complete a Capital Project change form. If the scope of work changes, all bidders must be given the opportunity to revise their bid.
h. A Contractor cannot be selected unless funding exists.
i. A Contractor is selected by the PPP under advisement by the Purchasing Department. The PPP informs the Purchasing Department of the Contractor to be awarded the project and instructs the Purchasing Department.

3. <u>Contract Preparation and Approval</u>

a. The PPP begins the **<u>CONTRACT REQUEST PROCEDURES</u>** process, as outlined in steps 1 thru 6 below:
   1. Capital Projects/Facilities Services fills out a Purchase Order Requisition form identifying the project and the contract amount for the purpose of processing an In-House purchase order. Simultaneously, two copies of Contract C (Construction Services Contract) is initiated and forwarded to the Contractor for signature and also requesting the Insurance Certificate in the amounts stipulated in the RFP. The purchase order requisition is forwarded to the Provost for signature and upon approval by the Controller's office ultimately is forwarded to the Purchasing Department. The Contractor signs and returns two copies of the contract to Capital Projects/Facilities Services along with the Insurance Certificate. Capital Projects/Facilities sends a copy of contract and insurance certificate to the insurance risk management office.
   2. Capital Projects/Facilities Services fills out the **Contract Checklist/Approval Page**, and has it signed by the Project Manager, Director of Facilities/VP for Capital Projects, and forwards it to Legal Counsel along with the contract and attachments.
   3. Legal Counsel will review and <u>return both copies of the contract to VP for Finance and Treasurer for signature.</u>
   4. Office of VP for Finance and Treasurer signs both copies of the contract and delivers one fully executed contract to Purchasing, keeping the ***original*** for their files. The

Purchasing Department will not process an official in-house purchase order until they receive the approved purchase order requisition and the fully executed contract and Insurance Certificate. Upon receipt of both documents, the Purchasing Department will process the in-house purchase order and scan the fully executed contract to the purchase order in the Peoplesoft ERP system. Purchasing then forwards one signed contract to the Contractor with a cover letter stating "all correspondence, payment applications and communications should include the "Project Order No."(this is the in-house purchase order number).

5. Purchasing forwards the Insurance Certificate to the Insurance Coordinator for their records.

4. <u>Project Administration</u>

a. All Contractor payment requests must be submitted on the AIA G702 "Application for Payment" form, accompanied by the AIA G703 "Schedule of Values" form. <u>These forms are the only method by which payments will be made to contractors. Invoices will not be accepted for payment.</u>

b. Once reconciled, the PPP must approve the Application for Payment and forward to Accounts Payable for processing. Change Orders –

   i. Should a change order be necessary, the Contractor must complete the AIA G701, "Change Order" form, accompanied by the AIA G703, "Schedule of Values" form.

   ii. The change order must be reviewed and approved by the PPP and forward to the Controller's Office for Budget Approval.

   iii. A copy of the approved change order will be faxed to the Contractor from the Purchasing Department serving as authorization to proceed with the change.

   iv. The project in-house purchase order will be increased for the approved amount by the Purchasing Department.

5. <u>Project Close-Out and Assessment</u>

a. A close-out meeting will be scheduled once the project is completed and final payment has been made.

b. All participants who attended the kick-off meeting, assemble again to review the project, compare final costs with initial estimates and discuss issues, solutions and lessons learned.