



Procurement and Sourcing Services

Effective Date:	September 1, 2010
Last Update/Revision:	November 1, 2012
Initiating Department:	Procurement and Sourcing Services
Responsible Department:	Procurement and Sourcing Services
Authorizing Person:	VP for Finance and Treasurer
Policy Number:	P1040

Policy Name: Capital Projects

Purpose: To establish guidelines for all aspects of sourcing and procurement relating to Capital Projects.

Policy: This policy provides structure to the Capital Projects program, so that capital improvements at residential, regional and other University locations follow consistent principles, standards, and reporting requirements, and all supporting documentation is centrally located at University Center. The established guidelines have been developed through the collaboration of the key departments responsible for all capital improvements: specifically, the Departments of Facilities, Buildings and Grounds, and the Office of Capital Projects.

The Office of Capital Projects is designed to maintain the University's assets at a level adequate to protect capital investment and minimize future maintenance and replacement costs. In general, projects involving capital assets should:

- ✓ Organize and schedule periodic repair, replacement and refurbishment of the asset.
- ✓ Preserve and maintain existing infrastructure.
- ✓ Provide professional cost estimating analysis.
- ✓ Prepare projected budgets and establish funding sources.
- ✓ Have a cost of in excess of \$50,000 and have a useful life of more than a year.

This Policy Applies to: Department of Capital Projects
Department of Buildings and Grounds
Facilities Department
Other University Stakeholders

Procedure: Capital Projects must adhere to the following procedures:

- 1) Project Creation
 - a) A determination is made to undertake a project exceeding \$50,000 in capital budget funds.
 - b) A budget is requested by the Project Point Person (PPP) and approved by:
 - i) The Director of Facilities/Buildings and Grounds
 - ii) The Assoc. VP for Capital Projects
 - iii) The Campus Provost
 - iv) The President

- v) The VP for Finance and Treasurer.
- c) A project kick off meeting shall be scheduled to be attended by; the Director of Facilities/Buildings and Grounds, the Assoc. VP for Capital Projects, the University Budget Director, the Director of Procurement and Sourcing Services, a representative tenant for the new space, and other impacted parties as necessary. Items to be discussed at the meeting include:
 - i) Proposed budget to determine if updating is required.
 - ii) Development and validation of a schedule of key dates and deadlines:
 - (1) Expected 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).
 - iii) Establish equipment list of long lead items.
 - iv) Identify furniture required (quantity, type, model, budget).
 - v) Equipment needs including HVAC, lighting, ceiling, flooring, wall covering, etc.
 - vi) List of bidders to invite w/complete contact information including email address.
- 2) Bidding Procedures
 - a) The PPP supplies detailed scope of work to Procurement and Sourcing Services including:
 - i) Detailed specifications
 - ii) Drawings
 - b) Procurement and Sourcing Services completes the Bid Packet.
 - c) A minimum of three (3) weeks is required for responses to Invitations to Bid.
 - d) Procurement and Sourcing Services sends bid documents to Proposed Bidders.
 - e) Questions from bidders will be answered via email and forwarded to all bidders by Procurement and Sourcing Services.
 - f) Addendums, if applicable, are forwarded to PSS, added to the Bid Document and forwarded to each bidder.
 - g) The bids are opened by Procurement and Sourcing Services 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.
 - h) If bids are higher than the project cost estimate, a determination is made to either not award the contract due to lack of funds available or to complete a Capital Project Budget Change Form to increase the project budget.
 - i) A Contractor cannot be selected unless approved funding exists and all required documentation is in place.
 - j) A Contractor is selected by the PPP. The PPP notifies Procurement and Sourcing Services of the Contractor to be awarded the project. If the award is made to a contractor that is not the low bidder, a memo must accompany the notice of award explaining the decision process. See policy [P1310, "Award to Other Than Low Bidder"](#) for further information
- 3) Contract Preparation and Approval
The PPP begins the Standard Contract Administration process.
- 4) Project Administration
 - a) All Contractor payment requests must be submitted on the "Application for Payment" form ([F1016](#)), accompanied by the "Schedule of Values" form ([F1017](#)). These forms are the only method by which payments will be made to contractors. Invoices will not be accepted for payment.
 - b) Once reconciled, the PPP must approve the Application for Payment and forward to Accounts Payable for processing.
 - c) Change Orders –
 - i) Contractors must complete the [Universal Contract Change Order Form](#) accompanied by an itemized breakdown of costs for all changes to the scope of work.
 - ii) The change order must be reviewed and approved by the PPP and forwarded to the Controller's Office for Budget Approval.
 - iii) The project internal purchase order will be increased for the approved amount by Procurement and Sourcing Services.
- 5) Project Close-Out and Assessment
 - a) The PPP shall require the Contractor to adhere to the University's [contract closeout requirements](#) before the release of accrued retained funds.
 - b) All participants that attended the kick-off meeting will assemble again to review the project, compare final costs with initial estimates and discuss issues, solutions and lessons learned.

Exceptions:

None

Forms:

LIU Official Purchase Order
[Contract Approval Form \(CAP\)](#)
[Bid /Contract Matrix](#)
[Standard LIU Contracts](#)
[Change Order Form for University Contracts](#)
[Application for Payment Form](#)
[Schedule of Values](#)
[Certificate of Substantial Completion](#)
Bid Packet
