



UNIVERSITY *of*
DENVER

UNIVERSITY OF DENVER
POLICY MANUAL
ESTABLISHMENT AND APPROVAL OF
MAJOR CAPITAL PROJECTS

Responsible Department: Department of Facilities
Management and Planning

Recommended By: AVC Facilities Management and
Planning, SVC Business and Financial Affairs

Approved By: Board of Trustees

Policy Number
OPER 9.10.011

Effective Date
6/3/2022

I. INTRODUCTION

- A. This document sets forth the University's policy on the establishment and approval of Major Capital Projects for building and property acquisitions, construction and renovation projects, professional services for such projects, and capital lease purchases for facility acquisition or construction.

The purpose of this Policy is to provide for consistent documentation of capital project proposals, which define the purpose, scope, budget, funding source, operating budget impact, schedule and other project details. Additionally, the policy establishes the appropriate levels of approval for Major Capital Projects.

- B. Major Capital Projects are projects that require a long-term substantial investment to acquire, plan, build, renovate or maintain the University's land, buildings, roads, and infrastructure that enhance the physical assets of the University. Major Capital Projects are:

1. Acquisition of real estate, including a capital lease, valued in excess of one (1) million dollars (\$1,000,000);
2. The establishment of new space including construction of new, permanent buildings on University premises;
3. Work on existing facilities for any specific project, including their renovation, repair, maintenance, alteration or demolition in those instances in which the total cost of all work involved is estimated to be two (2) million dollars (\$2,000,000) or more;
4. Architectural and engineering and other types of planning and design work, regardless of cost, which is intended to result in a Major Capital Project;
5. External additions to existing structures or other changes to the footprint of existing structures;

6. Ground improvements that alter function and use.

Major Capital Projects do not include:

1. Any sale of real estate, no matter the value, requires Board of Trustee approval;
 2. Capital projects that are identified and funded in the current Integrated Facilities Plan (IFP);
 3. Unit-specific master plans, feasibility studies, and other planning studies;
 4. Major technology systems upgrades or projects that are exclusively technology based. These projects are managed by Information Technology;
 5. Classroom upgrades, which are jointly managed by Information Technology and the Provost's Office;
 6. Emergency capital projects, as described below;
 7. Small projects, including the purchase of equipment and furniture, unless included as part of a Major Capital Project.
- C. The Chancellor, the Provost and Executive Vice Chancellor, and the Senior Vice Chancellor for Business and Financial Affairs are each authorized to execute any and all agreements related to capital projects that do not require the approval of the Board of Trustees consistent with University Policy FINA 2.10.030 - *Limits of Authority*.

II. POLICY OVERVIEW

- A. Facilities Management and Planning is responsible for establishing all Major Capital Projects regardless of the source of funding.
- B. Major Capital Projects will integrate with institutional priorities to fulfill the goals and strategic objectives of the University and align with the long-term vision, mission, and values including excellence, innovation, integrity, engagement and inclusiveness.
- C. Major Capital Projects require development of a viable budget and funding plan for the project and operational expenses.
- D. All Major Capital Projects must be approved by the University Board of Trustees.

III. PROCESS OVERVIEW

- A. Establishment of Major Capital Projects

1. Facilities Management and Planning, in consultation with University leadership, will review and recommend capital projects based on priorities outlined in the Campus Framework Plan and supporting facilities studies. Unit requests for Major Capital Projects must be submitted to Facilities Management and Planning.
2. Facilities Management and Planning will develop a support package, as applicable, for the Major Capital Project proposal to include:
 - Statement of purpose and need
 - Project scope
 - Project budget (and financing if applicable)
 - Maintenance and operations
 - Energy considerations
 - Sustainability impact
 - Safety and security
 - ADA considerations
 - Project schedule
3. To develop a Major Capital Project support package, Facilities Management and Planning will identify the project delivery method, and may conduct the general contractor selection process.

B. Approval of Major Capital Projects

1. Upon approval by University leadership, Facilities Management and Planning will submit the project for Board of Trustees approval.
2. The Buildings and Grounds Subcommittee of the Finance and Budget Committee will review and consider supporting materials for the Major Capital Project proposal and, if approved, make a recommendation to the Finance and Budget Committee.
3. The Finance and Budget Committee will review and consider supporting materials for the Major Capital Project proposal and, if approved, make a recommendation to the full Board of Trustees.
4. The Board of Trustees will review and consider the supporting materials for the Major Capital Project proposal and approve for implementation and execution.
5. Upon the direction of the Chair of the Board of Trustees, the Executive Committee may be involved in the approval path.

C. Execution of Major Capital Projects

1. Following the Board of Trustees approval, Facilities Management and

Planning will notify the requesting departments or schools.

2. The Controller's Office shall assign an account number to the Major Capital Project. At this time, the project can be initiated, and funds expended.
3. All contracts and purchases related to Major Capital Projects will be consistent with the [procurement policy and competitive bidding guidelines](#) issued by Shared Services.
4. A status update on all Major Capital Projects will be provided at every meeting of the Buildings and Grounds Subcommittee of the Finance and Budget Committee. The status report will provide progress to date, major milestones met, or obstacles encountered, budget and actual expenditures, and will highlight any concerns.
5. Major Capital Projects will be completed and closed out in consultation with the Controller's Office within a reasonable time following project completion and reported to the Buildings and Grounds Subcommittee.
6. Approval of a Major Capital Project authorizes Facilities Management and Planning to award contracts and incur other costs on the project that exceed the approved budget, but in total, do not exceed the approved project budget by more than ten percent (10%). If, during the performance of construction approved under this Policy, an unforeseen exigent condition or occurrence is identified that requires immediate action, the University is authorized to undertake and continue to implement measures to resolve or remediate the unforeseen exigent circumstances and to approve work necessary in light of the circumstances, even though such action may result in total construction project expenses exceeding the approved budget by more than ten percent (10%). In such a situation, the SVC for Business and Financial Affairs shall follow the notification process described below.
7. A chart illustrating the Major Capital Project Lifecycle is included as an Appendix to this Policy.

D. Emergency Capital Project

If an emergency (such as damage or destruction resulting from fire, weather impacts, or explosion) requires immediate action involving construction such that waiting to receive Board of Trustees approval would jeopardize the safety, security or viability of a building or increase the later cost of restoration or replacement, the Chancellor, Provost and SVC for Business and Financial Affairs are authorized to direct Facilities Management and Planning to implement measures to secure the building and remediate damage or destruction arising from the emergency, and to approve work necessary in light of the circumstances, even though no Board approvals for that project have

been obtained. In such a situation, the SVC for Business and Financial Affairs shall follow the notification process described below.

E. Notification Process

Upon the occurrence of an emergency requiring immediate construction planning and implementation or upon the discovery of an exigent circumstance that is likely to result in total construction project expenses exceeding the approved budget by more than ten percent (10%), the SVC for Business and Financial Affairs will promptly notify the Chancellor and the Board of Trustees. Board notification will include the Chair of the Board, the Chair of the Buildings and Grounds Subcommittee, and the Chair of the Finance and Budget Committee. The SVC for Business and Financial Affairs will provide information about the emergency or the exigent circumstances, identify the project costs, if known, and identify the planned source of funding for the new or additional costs. Once final costs are determined, a project budget, for emergency construction, or an amended project budget, reflecting additional work on an approved project due to exigent circumstances will be presented to the Board of Trustees for approval.

IV. DEFINITIONS

A. "University Premises" includes, but is not limited to, all indoor and outdoor common and educational areas, all University owned, leased, or operated facilities, University owned or operated housing (including but not limited to University property leased to University-recognized fraternities and sororities), campus sidewalks, campus parking lots, recreational areas, outdoor stadiums, and University owned or leased vehicles (regardless of location). University Premises does not include municipal property that goes through or is adjacent to campus, such as sidewalks or alleys.

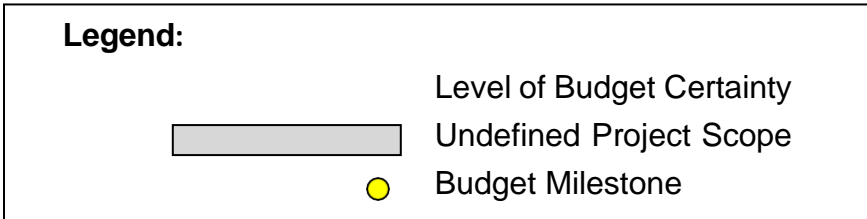
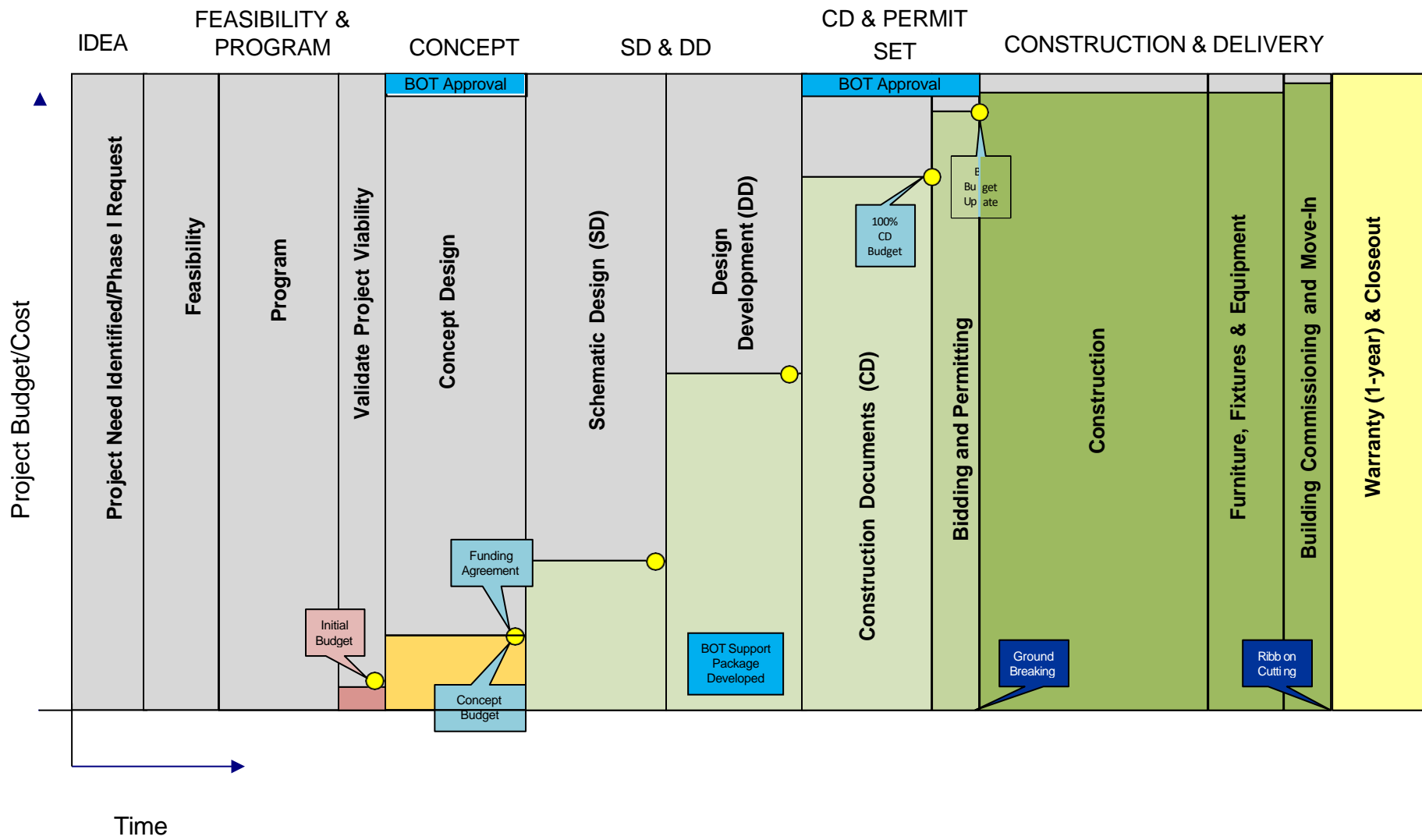
V. RESOURCES

- A.** [Facilities Management and Planning - Capital Projects](#)
- B.** University Policy FINA 2.10.030 – *Limits of Authority*

VI. APPENDIX

A. Major Capital Project Life Cycle

Revision Effective Date	Purpose



MAJOR CAPITAL PROJECT LIFECYCLE

MAJOR CAPITAL PROJECT DETAIL

	PHASE	DESCRIPTION	DELIVERABLES	SCOPE DEFINITION*	TIMELINE	BUDGET ACCURACY*	INVESTMENT
	Idea	Statement of intent with initial supporting documentation by initiating unit. Variable in level of accuracy.	Phases I request form	2-10%	1 month	+100% / -50%	Minimal
	Feasibility	Quick, cost effective preliminary investigation and scoping of the project, site, and programmatic needs. This can be performed with in-house staff or we seek a consultant to assist. Involves outreach to the users, occupants, maintenance and other supportive staff units. Initial financial discussions include.	Feasibility Study, Backfill Study	10-30%	2-5 months	+60% / -30%	\$10k-\$50K
	Programming	Detailed investigation involving primary research, market and technical resulting in development of a business case to support the project. Includes project definition, justification, and early budgeting. Will include use of external consultants.	Space Needs Assessment, Programming Plan	20-40%	4-7 months	+50% / -30%	0.5-1.0% of project budget
BOT Approval for AOR	Concept Design	Program testing and validation with initial building layout and massing. Interim design phase to refine the project. Will include use of external consultants. Informs BOT review and approval to proceed with AOR selection.	Concept Design	30-60%	4-7 months	+40% / -20%	1-3% of project budget
	Schematic Design (SD)	AOR engagement in first phase of design. Leads to bidding and procurement of construction services.	Schematic Design Documents	50-70%	5-7 months	+15% / -7%	2-4% of project budget
BOT Approval to Build	Design & Construction Documents (DD, CD)	Final review of scope, budget and schedule before construction. This phase requires outreach to affected campus partners and users in preparation to begin construction.	Design Development plans, Construction Documents			BOT Approved Budget	Project Dependent
	Construction	Contractor mobilization, construction activities, and pre-occupancy activities.				BOT Approved Budget	Project Dependent
	Delivery	Ensure systems operate as intended; commissioning activities; punch list completion; occupant move-in. This Phase requires significant outreach to manage user expectations.	Certificate of Occupancy (CO or TCO)			BOT Approved Budget	Project Dependent
	Closeout	All work, including warranty items, on the project is complete: required documentation submitted, contracts and PO's closed. Reconciliation of project budget and termination of capital project accounts.	O&M's, Record Drawings, Termination of Fund		12-18 months post CO	BOT Approved Budget	

* Budget Accuracy is directly correlated to Scope Definition. The level of budget certainty increases as we understand the complete project program, which includes unit needs, AV/IT, utilities, site impacts, sustainability and energy requirements, and other typical scope influences. As the scope is refined, the accuracy of the budget model improves and contractor pricing is more reliable.