

MARSHALL UNIVERSITY BOARD OF GOVERNORS

Rule No. FA-5

Capital Project Management

1 GENERAL

- 1.1 *Scope: Establishes the policies and guidelines governing and controlling the planning, programming and management of capital projects at Marshall University.*
- 1.2 Authority: This rule is promulgated under the authority granted in WV Code Section 18B-1-6, 18B-1B-4, and 18B-10-8.
- 1.3 Passage Date: August 22, 2020
- 1.4 Effective Date: August 22, 2020
- 1.5 Controlling over: Marshall University
- 1.6 History: Senate Bill 603 (18B-1B-4a(12)) provides that Marshall University has the authority to adopt its own guidelines concerning extensive capital project management. This policy was originally adopted on June 28, 2006 and was revised August 22, 2020.

2 PURPOSE

- 2.1 The purpose of this policy is to establish guidelines, delegate appropriate authority and assign responsibility for the governance, prioritization, financing, planning and management of capital projects at Marshall University (the University).
- 2.2 These activities shall include but not be limited to:
 - a) developing and updating Campus Development Plans and a capital projects expenditure list;
 - b) authorizing, planning, programming, financing, acquiring, constructing and/or renovating capital facilities and equipment;
 - c) demolition of existing facilities;
 - d) acquisition of real property.

This policy shall also govern lease or lease/purchase arrangements.

3 RESPONSIBILITIES OF THE GOVERNING BOARD AND UNIVERSITY

- 3.1 Campus Development Plan and Revisions Thereto
 - 3.1.1 At the direction of the University president, the University shall develop and submit to the Marshall University Board of Governors (MUBOG) for approval a campus capital project development plan (“Campus Development Plan”) covering a planning period of not less than ten years.
 - 3.1.2 A Campus “Development Plan” shall as a minimum address the following considerations:

- a) Relationship of the plan to the University’s compact, its institutional master plan, its mission, and its strategic plan.
- b) A statement of major planning assumptions upon which the plan is based;
- c) Identification and delineation of anticipated areas of real property acquisition needed to fulfill the institution’s mission;
- d) Identification of major new facilities and potential building sites;
- e) Renovation, addition to and/or demolition of existing buildings or facilities;
- f) Site improvements including landscaping, parking, vehicular and pedestrian circulation and access;
- g) Telecommunications and/or utility and infrastructure improvements; and
- h) General assessment of deferred maintenance and life safety issues, hazardous materials identification and management, occupational health improvements, and ADA requirements.

3.1.3 The Campus “Development Plan” endorsed by the University president and approved by the MUBOG shall be a guideline for capital budget requests, decisions with respect to new building construction, additions, renovation, maintenance, landscaping, parking, vehicular and pedestrian circulation, demolition of campus facilities, acquisition o, etc.

3.1.4 If adopted pursuant to §3.1.1 of this policy, a Campus Development Plan shall be updated at least every ten years. All revisions and updates shall be resubmitted to the MUBOG for approval.

3.1.5 The University shall report to the MUBOG on its progress in implementing an approved Campus Development Plan.

3.2 Capital Plan

3.2.1 Five Year Capital Expenditures List

3.2.1.1 The University may, at the President’s discretion, submit to the MUBOG for approval a five year capital expenditures list identifying the projects it intends to undertake during any five year period, which shall be updated and submitted to the MUBOG yearly. This list shall be based on the long term development objectives and recommendations in its approved Campus Development Plan, if any.

3.2.1.2 Once the five year capital expenditures list is approved, it may be used for institutional funding requests to the Legislature.

3.2.2 The campus capital projects expenditure list should include:

- a) The yearly prioritization of capital projects, as recommended by the University president and approved by the MUBOG;
- b) Estimates of the timing, phasing and projected costs associated with individual projects.

3.3 Revenue Bonds and Other Financial Instruments

3.3.1 The MUBOG may issue revenue bonds and enter into other financial instruments permitted by law which pledge special revenue fees for debt retirement from the institution under its jurisdiction to fund capital improvements, acquire real property

- and to lease/purchase capital equipment.
- 3.3.2 The University, with the approval of the MUBOG, may partner with private developers when there is an advantage to the University. The partnership may include the design, the construction, the financing and the operations/management of the facilities or any combination which best meets the needs of the university as approved by the Board.
- 3.4 Governing Board's Process for Reviewing and Approving Capital Projects in Excess of \$1,000,000
- 3.4.1 Consistent with this policy, the University has developed a process for the review, approval and prioritization of capital projects that ensures that such projects are based on and are consistent with the objectives of its approved Campus Development Plan and the institution's long-range strategic plan. This process includes the preparation of a detailed Program Statement as outlined in Appendix A.
- 3.4.2 No capital project will be taken to the MUBOG for approval until a Program Statement has been prepared and approved by the president of the University.
- 3.4.3 The University shall provide to the Joint Committee on Government and Finance a copy of any contract or agreement for real property exceeding \$1,000,000, and shall upon request make available to said committee a summary of the terms of the contract or agreement, including the name of the owner of the property and the agent involved in the sale.
- 3.5 Capital Project Initiation and Approval for Projects up to \$1,000,000
- 3.5.1 Capital improvement projects with an estimated total cost of \$1,000,000 or less shall be managed by the University. A project which, in the aggregate, exceeds \$1,000,000 is subject to formal MUBOG approval and may not be broken into component parts of less than \$1,000,000 to avoid such approval.
- 3.6 Lease or Lease/Purchase of Capital Facilities and Equipment
- 3.6.1 Advance approval by the MUBOG is required whenever the institution desires to lease or lease/purchase capital facilities or equipment.
- 3.6.2 A Program Statement as outlined in Appendix A must be completed and presented to the University president and the MUBOG for advanced approval prior to formalizing any lease or lease/purchase where aggregate lease payments are in excess of \$1,000,000 over the lease term.
- 3.6.3 Annually, the University shall provide to the Joint Committee on Government and Finance a copy of any contract for the lease-purchase of real property in excess of \$1,000,000 (WV State Code §5-6-4a).
- 3.7 Acquisition and Transfer of Real Property and Facilities, Granting Easements and Rights-of-Way
- 3.7.1 The acquisition of real property and facilities by the University through purchase, sale or exchange, or the granting of permanent easements or rights-of-way, shall require advance approval by the University president and the MUBOG.

- 3.7.2 If so authorized by the MUBOG, utility or other license agreements which are revocable under reasonable terms and conditions, may be approved by the president of the institution.

4 EFFICIENT USE OF FACILITIES AND SERVICES

- 4.1 The University and its respective campuses are encouraged and expected to make the most efficient use of facilities under their control, thereby minimizing the need to construct additional facilities.
- 4.2 The University is also encouraged to enter into inter-institutional and inter-agency agreements for joint use of facilities and services to gain economies of scale and to foster more efficient utilization of resources.

APPENDIX A

CAPITAL PROJECTS PROGRAM STATEMENT

Prior to the process to employ or commission design services for a project, a Program Statement will be prepared, submitted and approved by the President and the Board of Governors to justify any proposed renovation, new facility and/or new addition to a facility in excess of \$1,000,000. This program statement must be documented by outlining the specific need or needs for the expansion or addition. This statement should incorporate the following elements:

- A. Rationale and Case for Project – Provide an explicit description of the program rationale by outlining the specific needs for the program requested. This should include, but not be limited to:
1. Background or history of the existing program and the rationale focus on why the expansion is necessary.
 2. Alignment (fit) of the Proposed Project with the University’s Strategic Vision and Priorities.
 3. Existing facilities compared to what expansion of physical facilities is needed.
 4. Description of benefits from program expansion as it relates to the students, faculty, staff, a specific college, Marshall University, the community and the State of West Virginia. This should include any economic impact as well as growth benefits.
 5. Planning Assumptions.
 6. Describe the public value that will be created.
 7. Estimate of proposed costs.
 8. Proposed project schedule.
 9. Proposed site for the project.

Further, all new facilities must be in keeping with the guidelines established in the most recent Ten-Year Campus Development Plan. In order to properly plan the expansion of Marshall University, any deviations from the latest version of the Development Plan must be authorized by the University president and the MUBOG.

In order to foster collegiality, each project must create environments which encourage interaction and discourse among students, faculty and staff. This potential should be recognized in the development of internal and exterior environments as well as be in line with the architecture and history of our campus.

Once Items 1 through 9 of the Program Statement have been reviewed by the President, the President may choose one of the following actions:

- Proceed to soliciting MUBOG approval to continue the project under the “Programming and Design Guidelines” for Capital Projects managed by the University’s Facilities Planning and Management Office.
- Proceed to soliciting MUBOG approval to continue the project utilizing a private developer; specifying the design/build/financing/ownership/operations of the project and the role of the Facilities Planning and Management Office.
- Take the project under further review.
- Remove the project from further consideration.