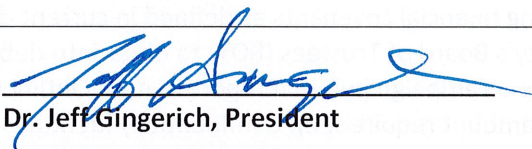




## ST BONAVENTURE UNIVERSITY

Construction Management Policy			
Administered By: Business Office			
Approved By:  Dr. Jeff Gingerich, President			
Policy Number: FA-2023-02	Associated Form: N/A	Associated Procedure: Construction Project Procedures	Policy Version & Date: Final November 21, 2023

**Purpose:** Documents policies and procedures for all construction projections undertaken by the university

**Scope and Eligibility:** Institutional

### Policy Statement:

All University construction projects must be authorized in advance by the Vice President for Finance and Administration in accordance with the established procedures for construction work. Individuals and/or departments may not engage contractor services without the express written authorization of the office of Finance and Administration. In addition to project authorization, construction project procedures will provide for assurance of funding in advance of commencing the project and overall project administration of all such work. Construction project procedures are available from the Office of Finance and Administration. Except where otherwise provided in the procedures, construction projects will be managed by the Facilities department, whose procedures will include a process for appropriate competitive bidding.

### Definition of Construction Work

For the purposes of this policy, "construction work" includes all work performed on SBU property by SBU or non-SBU personnel, whether for hire or volunteer, which includes any of these features:

1. Modification of building walls, floors, ceilings, hardware, electrical systems, mechanical or plumbing systems, or any fixed part of SBU facilities. Because of the potential for encountering asbestos or other hazards, this includes any drilling of holes or driving other attachments into walls.
2. Any excavation or driving of stakes or anchors into the ground.
3. Any repairs or replacements of finish materials, including paint, carpet, floor tiles, ceiling tiles, curtain rods, window blind brackets, or the like.
4. Any work which requires on-site labor of construction tradesmen.

Not included in this definition are:

1. Maintenance or repair of portable equipment such as office or laboratory equipment.
2. Set-up of new portable equipment when modifications to the building are not required.

### **Funding Source**

Fundraising is expected to be a major source of long-term financing for the University's new construction and major renovations. Debt can be used conservatively and as needed as long as the University maintains compliance with existing financial covenants as defined in current debt documents and obtains the approval from the University's Board of Trustees (BOT) to enter into debt financing. The Vice President for Advancement will prepare a campaign pyramid report that 1). Outlines the number of gifts needed at each level to raise the total amount required, 2). Confidentially identifies prospective donors at each level of the pyramid, and 3). Projects the time required to secure 100% of the total required.

The University cannot start construction of a new project until 75% of the funds required for the project are collected in cash or pledges. Debt financing may be used to satisfy the requirement as long as the BOT has approved its use for the project. The Vice President for Finance and Administration, along with consultation from the Vice President of Advancement, is responsible for providing the President and Facilities and Finance Committees with a complete accounting of funds received before project commencement.

In order to provide for the ongoing maintenance of buildings and facilities on campus as well as protect against any uncollected pledges, an additional 10% of the total project budget will be added to all new projects. Any unused funds will be placed in an endowment and provide for ongoing maintenance of the facility.

### **Responsibilities**

In accordance with University purchasing policy, construction contracts under this Policy shall be approved and signed by the Vice President for Finance and Administration. Facilities shall provide staff support for contracts, and develop documents for approval in accordance with policy further defined below. Other Departments are not authorized to enter into negotiations for construction projects with Architects, Engineers or Contractors or to execute contracts with contractors.

### **Background**

Contracting for modifications to University facilities inevitably involves a number of issues beyond the immediate needs of the requesting department. These include at least:

- a. Possible impacts on electric systems, HVAC systems, piping systems, and the like.
- b. Considerations of allowable loading of floors and walls
- c. Possible impacts on fire exit pathways or other fire safety code or other safety systems
- d. Impact on long-range plans for space utilization
- e. Obtaining building permits and inspections, where required by law, and maintaining consistent professional relationships with local code enforcement officers.
- f. Consideration of concealed utilities, whether underground or within walls and floors.
- g. Potential presence of asbestos or other hazards

- h. Prudent use of the University's buying power in obtaining best value pricing
- i. Protection of the University from liability by incorporating the proper safety and insurance requirements in the contract documents
- j. Knowledge of the proven capabilities and limitations of local construction contractors
- k. Preservation of the University's reputation with the local contractor community for consistent bidding practices

Please see the Construction Project Procedures for further information on actual construction and renovation projects.



## **CONSTRUCTION PROJECT PROCEDURES**

### **Definition of Construction Work**

For the purposes of this procedure, "construction work" includes all work performed on SBU property by SBU and non-SBU personnel, as defined in the Construction Management Policy.

Departments arranging for such non-construction work shall make clear to vendors the limitations in allowable work. The Purchasing Department will furnish, where applicable, an attachment to purchasing documents which includes this information.

### **Requests for Construction Work**

Departments wishing to arrange for construction activities at SBU shall contact Facilities and describe as fully as possible the nature of the project. It is always preferable at the outset to define requirements in terms of their objectives rather than limit discussion to a particular detailed plan.

No purchases of equipment which require construction work for installation shall be authorized until the entire installation process is defined and priced as described below.

Facilities will work as necessary with the requesting department and Facilities staff to develop required plans and cost estimates. It is necessary to identify sources of funding during the process, in order to avoid spending too much time on projects that may not be practical from a funding standpoint. Rough preliminary cost estimates may be prepared early in the process by Facilities to assist in this effort, but such estimates are not sufficient to fund or authorize work.

Detailed, firm costs generally require input from contractors. All contacts for this purpose will be arranged by Facilities, and will be accompanied by appropriate documentation defining the scope of work. Projects shall not proceed to formal bidding without written concurrence of the requesting department in the formal definition of the scope of work.

### **Awarding Contracts: Background**

Facilities shall recommend to the Vice President for Finance and Administration the form of contract to be used, and the process for obtaining firm prices. Due consideration shall be given to these principles:

- 1) The University is not required by law to conduct competitive bidding for every project, but competition is a preferred means of ensuring fair prices.
- 2) Competitive bidding for a firm fixed price contract requires an exhaustive set of plans and specifications. It is not necessarily in the best interests of the University to invest in this process for all projects.
- 3) Ordinarily, the lowest fixed price wins the bid, and contractors have a right to expect this. However, when the contractor is asked to perform a significant amount of design work, then it is appropriate to evaluate proposals on the basis of their technical merits as well. Proper bidding ethics require that this be made clear to the contractors in advance. Contractors are considered without respect to the union contract status of their organization. The University contracts with both union and non-union contractors

and selection is based on University criteria focused on the best price and qualifications for the work.

- 4) Bidding at SBU is on an "invitation only" basis, restricted to contractors who have proven their qualifications in advance. This is the primary defense against inferior "low-bid" work.
- 5) Certain classes of repetitive work may be performed on contracts that cover more than one project. This is appropriate when the contractor has a proven track record of satisfactory work and cost consciousness, and where the magnitude of the projects is such that the potential savings from competition do not outweigh the administrative advantages of combining projects. The preferred method of contracting in this way at SBU includes "Time and Material not to exceed" price quotations. Except in the case of bona fide emergencies, firm cost proposals are required to undertake construction work.
- 6) Before awarding work to contractors, full funding for completion of the project (including any contingency recommended by Facilities) shall be identified and set aside in accordance with this procedure.
- 7) Final authority for the award of contracts rests with the Vice President for Finance and Administration. All construction contracts shall be issued to contractors by the office of the Vice President for Finance and Administration. Technical specifications shall be provided by Facilities and standard contract terms, including insurance requirements, shall be added by the issuing office.
- 8) All Large Projects and Medium Sized Projects must include a 10% contingency of the total project cost to take care of unexpected items that may arise during construction.

## **Awarding Contracts: Procedure**

### **Large Projects**

Large construction projects are those having a total construction cost greater than \$1,000,000. These projects are ordinarily contracted using a competitive bid, General Contractor Bid to Spec method, as follows:

Selection of Architect/Engineer firm to prepare design documents. A/E firms shall be selected using a formal RFP, presented to selected invited firms. An evaluation process under the supervision of the Vice President for Finance and Administration will select the winning firm in accordance with criteria developed for the specific competition, including participation of the functional area affected by or originating the project. In some cases, the A/E may be selected on the basis of former work at the University, when the project under consideration is logically a continuation of that other work.

- 1) In some cases, the A/E function may be performed by SBU staff having the appropriate credentials. It is recognized, however, that producing detailed specifications for any but the simplest design will likely require more manpower than SBU staff can devote to one project.
- 2) After the preparation of detailed construction documents (plans and specifications), the A/E will assist the University in identifying three or more general contractors from whom to invite bids. In accordance with American Institute of Architects procedures and forms, a winning contractor will be selected on the basis of the lowest responsive bid. If additional criteria are involved in the selection, then they shall be approved by



the Vice President for Finance and Administration in advance, and shall be made known to the bidders in advance. The General Contractor will hire subcontractors in the various construction trades.

- 3) In some cases, the process may be varied by bidding more than one contract to various specialized contractors, as for instance in order to shorten the schedule by bidding the site preparation work in advance of the completion of all design documents.
- 4) The Vice President for Finance and Administration will approve and sign contract documents, based upon appropriate approval by the President and the Board of Trustees.

In some cases, as warranted by University needs, alternative modes of competition may be used, including Design-Build (where one entity performs both the design and construction functions, with an agreement as to price early in the process) or Guaranteed Maximum Price (where contractors negotiate a price before the drawings are complete, and share with the University savings below that price). Typically, these methods are used where time or budget constraints are particularly significant. Approval of alternate bidding methods shall be by formal action of the Vice President for Finance and Administration and University President with concurrence from the Board of Trustees Finance Committee.

### **Medium Sized Projects**

Medium Sized Projects are those with a construction cost between \$250,000 and \$1,000,000. In these cases, it is possible that the benefits of a fair and formal competition among competent contractors may be outweighed by the costs of producing the necessary Construction Documents in sufficient detail to ensure apt price comparison. Such medium projects may proceed along alternate paths:

- 1) The same process may be used as for Large Projects. It is acceptable to use only two, rather than 3 or more bidders, if the familiarity of contractors with the work permits a reduction in documents this way.
- 2) If a written evaluation of the alternatives is made by Facilities and approved by the Vice President for Finance and Administration, then the project cost may be negotiated with a single contractor. This process is most applicable where the contractor brings significant expertise to the process of dealing the work to be done. The evaluation of this method shall include sufficient price benchmarking information to provide assurance that the loss of price competition is offset by savings in the design expense.
- 3) Contracts shall be initiated using Contract Request form provided by the office of the Vice President for Finance and Administration, which provides for insurance requirements and other business conditions current with the University.

### **Small and Service/Maintenance Contracts**

In accordance with University Purchase Policy, small projects are those with a construction cost less than \$250,000. Service/Maintenance contracts are agreements made with construction trade contractors for recurring or emergent needs, in which individual tasks do not exceed \$250,000.

- 1) To save design and administrative overhead, it is permissible for the Facilities group to handle small construction projects through existing Service/Maintenance agreements.
- 2) The Service/Maintenance agreements are annually renewed contracts governed by the Facilities Task Order process, and initiated through the Contract Request Form as above. Such contracts are awarded on the basis of proven and continuing performance by the contractor. Generally, they take advantage of a particular contractor's familiarity with the University systems and facilities, and of the contractor's ability to mobilize efficiently from a local or nearby business location.
- 3) The award of Service/Maintenance contracts will be reviewed in writing on a five-year cycle for each contract. The Facilities group will endeavor to promote competition for this work by seeking alternate suppliers, and in some cases more than one simultaneous contract for a particular type of work.

### **Administration of Contracts [and stop-work]**

Contracts, once awarded, shall be administered by the Facilities Department. Inspections shall be made as the work progresses in order to ensure proper and safe execution of the contract.

Any changes in the scope of work or price shall be documented with formal change orders. Those affecting the finished product shall be discussed with the customer department for approval. No change requests, verbal or in writing, can be entertained except by consultation with the contract administrator. Other University personnel are not permitted to interfere with the work in progress.

SBU reserves the right to enforce safety requirements anywhere on SBU property, whether to protect SBU property, the SBU community, or contractor's own workers. Contracts shall contain a provision for stop-work orders issued by Facilities.

### **Payment**

Contractors shall be paid only after satisfactory completion of the work is verified by Facilities. Progress payments, if permitted by the contract, shall be made only for portions of the work similarly completed and verified. Payment authorization is the responsibility of Facilities. Authorization for payments to contractors does not rest with the requesting department, even if departmental funds are the sources of project funding.

### **Special Arrangements**

There may arise circumstances in which the routine administration of some construction activities, as defined here, may be delegated to other departments under a defined exemption. Such delegations shall be documented in writing. In such cases, both the delegated department and Finance and Administration personnel shall oversee work as needed to ensure that contract personnel perform within the agreed guidelines. Stop-work order responsibility as described above shall not be diminished by such exemptions. Examples of such delegation include arrangements with Tech Services for communication wiring, with Special Events for erecting tents, and with the Reilly Center and Richter Center in reference to gym floor maintenance – each under defined guidelines which include appropriate contacts with Facilities and contract authorization by the Vice President for Finance and Administration.

