



OFFICE OF THE CHANCELLOR

PROCUREMENT OF FACILITIES PROJECTS

Organization and Mission

The **Pennsylvania State System of Higher Education** was established by **Act 188 of 1982**. The System is known as a State-Affiliated organization.

The **System's 14 universities** are situated in small-town settings throughout Pennsylvania, in the communities of Bloomsburg, California, Cheyney, Clarion, East Stroudsburg, Edinboro, Indiana, Kutztown, Lock Haven, Mansfield, Millersville, Shippensburg, Slippery Rock, and West Chester. There are also four branch campuses in Oil City (Clarion), Freeport and Punxsutawney (Indiana), and Clearfield (Lock Haven).

The System's universities have approximately 900 buildings, consisting of about 30 million square feet, with a Plant Replacement Value of \$10 billion, all positioned on 5,000 acres of land. The System is authorized to execute and administer contracts for construction, repair, renovation, and maintenance projects.

The System's **Facilities Management Office** is organized within the Administration and Finance Division in the Office of the Chancellor in Harrisburg, and is headed by the Assistant Vice Chancellor for Facilities. Responsibilities of the Assistant Vice Chancellor include, among other functions, strategies and policies for funding and procuring capital facilities, as well as capital project approvals.

The **Construction Support Office** (CSO) is a component of the Facilities Management Office, and is headed by the Director of Construction Management. CSO's functions include:

- Policy, guidance, and oversight of universities' facilities projects contracting programs.
- Procurement and administration of centrally-held, open-end professional contracts.
- General assistance to universities with their facilities projects contracting programs.
- Administration of the contract disputes program (bid protests, claims).

The Office of the Chancellor **delegates to each university** the authority to undertake projects and execute project contracts. The Contracting Officer authority is delegated from the University President to the Vice President for Administration & Finance (VP A&F). While universities follow System policies and procedures, they operate with a certain level of independence in the execution of their projects.

Facilities Management at universities falls under the VP A&F. Some Facilities Management offices are organized under one Director, and others are split, with separate reports for Design & Construction and for Facilities/Plant Operations & Maintenance. The Design & Construction staff will include one or more project managers, and a quality assurance representative, and may use contracted construction management services to supplement its capabilities.

Contracting Offices at universities also fall under the VP A&F, and may have a variety of titles. In all cases, there will be a person(s) designated as the Contract Specialist, who is well-versed on, and handles, contracts for the design and construction mission.



CALU



CLARION UNIVERSITY



EDINBORO UNIVERSITY



KUTZTOWN COLLEGE



MANSFIELD UNIVERSITY

Millersville University



Slippery Rock University

WCU WEST CHESTER UNIVERSITY

Project Development, Funding, and Execution

Commonwealth Capital Projects

Commonwealth Capital projects are those that receive Commonwealth funding for Education & General (E&G) facilities (educational, administration, and infrastructure facilities).

The PA General Assembly authorizes projects periodically via Capital facilities authorization legislation. Execution is made possible through annual funding, in the form of Commonwealth general obligation bonds. This funding, set by the Governor, is currently \$65 million annually. Allocation of this funding to specific projects is through the System's 5-Year Spending Plan. Funding for projects may be supplemented by other means, such as System bond financing, university capital fundraising, and/or other sources of funds. The System Board of Governors (BOG) must approve projects for authorization, the Spending Plan, and any System bond financing.

The Commonwealth's Department of General Services (DGS) is designated as the design and construction agent for Commonwealth Capital projects for the System. In a few cases, projects are delegated to the university for contract administration. The design professional for all Commonwealth Capital projects, even those delegated, is procured through DGS. DGS will procure the construction contracts for non-delegated projects; the university will procure them for delegated projects.

University Projects

Universities execute capital projects which they fund themselves, and DGS is not involved. Funding for such projects is primarily through bond financing procured by the System or out of university reserves. Projects also require BOG approval if bond financing is required or if square footage is increased.

One particular type of project that universities typically execute themselves are Auxiliary projects, which, once completed, are operated by fee-for-service or self-supporting university operations, such as recreation services and food services. Such projects are rarely eligible to receive Commonwealth funding.

Universities also execute numerous projects in the form of smaller addition, alteration, renovation, and repair projects for all facilities, including E&G facilities originally constructed by DGS. The funding sources for these vary, but typically it will be through special Commonwealth funding (such as KEY93 funding), the university operating budget, and/or other special appropriations or grants.

Depending on the project size and scope, universities either advertise for and select the design professional via a request for proposals, or order the design work under an open-end professional contract. Open-end professional contracts are held both by CSO and by most universities. Likewise, depending on the project size and scope, universities either advertise for and bid the construction contracts, or order the construction work under a job-order, work-order, or similar contract.

Occasionally projects at universities fall under a special program or execution strategy. In such cases, they may utilize different procurement processes and administration procedures. Student housing projects and Guaranteed Energy Savings Act (GESA) projects are two primary examples of such projects.

Project Execution and Administration

The System, as a public agency, must comply with all Commonwealth statutes that regulate Public Works in Pennsylvania. In particular, the System must comply with the Commonwealth Procurement Code, the Separations Act, the Steel Products Procurement Act, the Reciprocal Limitations Act, the Prevailing Wage Act, and PA e-Verify. Also, the use of proprietary product specifications is limited, and must be approved.

The System publically advertises all project contract opportunities. Neither the System nor universities maintain standing pre-qualification lists. Construction contracts must be awarded under a low-bid scenario. Design professionals are selected based on qualifications, and fees are negotiated after selection is made.

Specific Facilities Projects Topics

Advertisements

Universities advertise project contract opportunities in a variety of ways. While the System's web-based eProcurement Exchange is the primary location for advertisements, universities may use other common venues, to include their own web sites, DGS' PA E-Marketplace web site, builders exchanges, and/or local or regional newspapers.

Small Diverse Business Program (SDB)

The System recognizes in their SDB program firms which are verified by the PA DGS as small and either minority, woman, veteran, or service-disabled veteran-owned. The System promotes and supports the inclusion of SDB in all levels of project contracts, but has no set-asides or preferences for any of these firms. Under the System's current construction program, prime bidders must "proactively solicit" quotes from SDB for a designated portion of the work. For design contracts and other professional services contracts selected on technical merit, the System may include in the evaluation and selection the proposers' utilization of SDB.

Permitting

Under the Pennsylvania Uniform Construction Code, all System facilities fall under the jurisdiction of only the Pennsylvania Department of Labor and Industry (L&I) for plan review and inspection. The university's design professional is responsible for obtaining the building permit, and construction contractors must coordinate for all required inspections. Local authorities have no jurisdiction for building permits on System facilities, but do retain jurisdiction for any required zoning and/or land use permits.

Leadership in Energy and Environment Design (LEED)

The System universities and Office of the Chancellor strongly support and seek to incorporate sustainable design efforts into projects. However, the System does not have requirements for projects to achieve LEED or other certification.

Master Planning

Sometime around the year 2000, all universities completed master plans. The goal is to keep these plans up-to-date with formal updates on cycles running anywhere from 5 to 10 years. Procurement of a design professional for master planning is typically done through a separate RFP issued by the university, or, if an update is limited in scope, a work order under an open-end professional contract might be used.

Privatized Development of Student Housing

System policy is that student housing projects are to be executed, to the extent feasible, through private development. Projects are executed by a 501(c)3 tax-exempt affiliated organization at the university, such as the University Foundation. CSO does not participate in the execution of these projects; however, CSO previously pre-qualified developers for these projects. This pre-qualification process is no longer open, since very few new projects are anticipated.

Guaranteed Energy Savings Act (GESAs) Projects

In the late 2000s, all universities, except one, executed GESAs projects, as authorized by Chapter 37, Subchapter E, of the Commonwealth Procurement Code. All projects are complete and are in their performance period. More recently, one university has initiated and is executing a follow-on project. Also, a few other universities are considering energy projects of some sort.

Centrally-Held Professional Contracts

Contracts PASSHE-PROF-2010 In 2011, CSO awarded 40 open-end contracts for various architectural and engineering services. With renewals, these contracts run for 6 years, and will expire in early 2017. Universities issue work orders against these contracts.

Contracts SSHE-ARCH-2016 and SSHE-ENGR-2016 In April 2016, CSO issued RFPs for two sets of contracts to replace the PASSHE-PROF-2010 contracts. In August and September, CSO announced the selection of 28 firms for the ARCH contracts, which are for architectural services, and the selection of 31 firms for ENGR contracts, which are for engineering services. All contracts should be in place in early 2017. Universities will issue work orders against these contracts.

Contracts PASSHE-CM-2013 In 2013, CSO awarded 25 open-end contracts for construction management (CM) services. With renewals, these contracts will run for 6 years. Universities may issue work orders against these contracts.

Contracts PASSHE-COMM-2015 In 2015, CSO awarded 19 open-end contracts for commissioning services. With renewals, these contracts will run through late 2021. Universities may issue work orders against these contracts.

University Open-End Contracts Some universities hold their own open-end contracts for architectural and engineering services. Those universities use a combination of their own contracts and the centrally-held contracts. Universities generally do not hold their own CM and/or commissioning contracts.

CSO versus DGS Contracts, CM and Commissioning Universities may issue work orders against the CSO centrally-held contracts if the project is funded by and/or is being administered by the university. However, for Commonwealth Capital projects being administered by DGS, DGS will utilize, as needed, a CM or Commissioning Agent from their own lists of such firms under contract.

Office of the Chancellor Points of Contact

Steve Dupes	Assistant Vice Chancellor for Facilities	717-720-4118
Bob Unger	Director of Construction Management	717-720-4131
Dot Latin	Construction Support Assistant	717-720-4113

Facilities web site <http://www.passhe.edu/inside/anf/Fac/Pages/default.aspx>

CSO web site <http://www.passhe.edu/inside/anf/Fac/Procurement/Pages/default.aspx>

eProcurement Exchange site <https://passhe.procureware.com/home>

The Office of the Chancellor is situated in Pennsylvania's capital city, Harrisburg, at the Dixon University Center, 2986 North Second Street, Harrisburg, PA 17110.

Facilities Operations Alan Margraf, also part of the Facilities Management Office, has responsibility for oversight and coordination of environmental, safety, and health; emergency planning/operation; and security and police.

Procurement The Office of the Chancellor Procurement Office has responsibility for procurement and administration of a variety of supply and services contracts, some of which may be used in university facilities projects.

Updated: December 6, 2016