 PROCUREMENT OF FACILITIES PROJECTS

Organization and Mission

Pennsylvania’s 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. Several of these universities have small branch campuses in nearby towns.

The System’s universities have approximately 900 buildings, consisting of about 31 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.

The Office of the Chancellor delegates to each university the authority to undertake projects and execute project contracts. The Contracting Officer authority is then 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 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. It should be noted that the titles of these organizations and positions vary at different universities.

Contracting Offices at universities also fall under the VP A&F, and may have a variety of titles. In all cases, there will either be a person designated as the Contract Specialist, who is well-versed on, and handles, contracts for the design and construction mission, or contracting will be performed by the Regional Procurement Office.
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 $70 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, by law, designated as the design and construction agent for Commonwealth Capital projects for System universities. In a few rare cases, projects may be delegated to universities 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. The source of such funds is typically either bond financing, procured by the System, or the university's reserve funds. These projects also require BOG approval if bond financing is required or if square footage is increased.

Auxiliary projects, which, once completed, are operated by fee-for-service or self-supporting university operations, such as recreation services and food services, are a particular type of project that universities must fund and execute themselves. 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 projects vary, but typically it will come from earmarked Commonwealth funding (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 a few 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 work order contract, or a similar contracting vehicle.

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 publicly advertises all project contract opportunities. Neither the System nor universities maintain standing pre-qualification lists. Construction contracts are 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

Public Notice
Universities publicly advertise project contract opportunities on the System’s web-based Ariba Discovery platform. This platform is also used to upload/receive bids and proposals. While Ariba Discovery is the primary location for advertisements, universities may also advertise at other common venues, to include their own web sites and/or DGS’ PA E-Marketplace web site.

Small Diverse Business Program (SDB)
The System recognizes in their SDB program those firms which are verified by the PA DGS as small, and certified as either minority, woman, veteran, service-disabled veteran, disability, or LGBT. The System promotes and supports the inclusion of SDB in all levels of project contracts, but has no set-aside or preference programs.

Under the System's current construction program, prime bidders must "proactively solicit" quotes from SDB for portions of the work. For design professional services contracts, the System may include SDB participation and/or utilization in the evaluation and selection process.

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 similar 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 five to ten years. A design professional for master planning is typically procured either through a separate RFP issued by the university, or, if an update is limited in scope, by issuing a work order under an open-end professional contract.

Privatized Development of Student Housing
System policy is that student housing projects are to be executed, to the extent feasible, through private development. Such projects are executed by a 501(c)(3) tax-exempt affiliated organization at the university. CSO does not participate in the execution of these projects; however, CSO did previously pre-qualify developers for these projects. This pre-qualification process is no longer open, since virtually no new projects are anticipated.

Guaranteed Energy Savings Act (GESA) Projects
In the late 2000s, all universities, except one, executed GESA projects, as authorized by Chapter 37, Subchapter E, of the Commonwealth Procurement Code. All projects were completed. More recently, one university initiated, and is executing, a follow-on project. Also, a few other universities are considering energy-savings projects of some sort.
Centrally-Held Professional Contracts

Contracts SSHE-ARCH-2016 and SSHE-ENGR-2016 In early 2017, CSO put in place 28 open-end contracts for architectural services (ARCH) and 31 open-end contracts for engineering services (ENGR). With renewals, these contracts will run for 6 years. Universities issue work orders against these contracts. CSO's next RFP for architectural and engineering contracts will be issued in 2022.

Contracts SSHE-CM-2019 In 2019, CSO awarded 23 open-end contracts for construction management (CM) services. Universities issue work orders against these contracts. With renewals, these contracts will run for 6 years. CSO’s next RFP for construction management contracts should be issued in 2025.

Contracts SSHE-RMP-2019 In 2019, CSO awarded 6 open-end contracts for roof management services. Universities issue work orders against these contracts. With renewals, these contracts will run for 4 years. CSO’s next RFP for roof management contracts should be issued in 2023.

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 issue work orders against these contracts.

RFP SSHE-COMM-2021 In March 2021, CSO issued an RFP for commissioning contracts to replace the COMM-2015 contracts. Proposals will be submitted in April 2021, and roughly a dozen firms will be awarded contracts.

University Open-End Contracts A few universities hold their own open-end contracts for architectural and engineering services. Those universities use a combination of their own contracts and CSO’s 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 CSO’s 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, one of DGS’ own contracts for these services.

Office of the Chancellor Points of Contact

Steve Dupes Assistant Vice Chancellor for Facilities 717-720-4118
Peter Merlo Director of Construction Management 717-720-4131
Sandy Reid System Contract Specialist 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
Ariba Discovery site https://service.ariba.com/Discovery.aw/125041041/aw?awh=r&awssk=RzpbBs4P&awrdt=1

The Office of the Chancellor is located 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’s Strategic Sourcing 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: April 2, 2021