

# Pennsylvania State System of Higher Education Facilities Manual

## Volume VII-A Capital Appropriated Projects

---

---

In response to the annual budget call for capital appropriations projects in the first quarter of each fiscal year, State System institutions complete the forms shown in Figures IV-2 and 3 for each proposed capital facilities project and submit to the Office of the Chancellor for inclusion in the State System's annual capital appropriations request. Only renovation projects for existing facilities that have reached the end of their useful life (at least 35 years old), renovation projects to update antiquated facilities to meet university program requirements, utility system repair or replacement projects, and new construction projects satisfying a validated deficiency will be considered for inclusion in the State System's capital appropriation request.

The scope of work included on the forms in Figure IV-2 should be general in recognition of the five- to ten-year time frame it may take before the work is funded and accomplished. The project scope should become more detailed with the submission of the request for project action, but should not be so specific that the completed facility will not satisfy the requirement at the time the work is accomplished.

The cost of the project should be the expected cost of design and construction at the time the project will be constructed. Recognition must be given to the cost factors associated with public contracting, such as the Prevailing Wage Act, and the Separation of Specifications Act. If the project is estimated using construction estimating standards, such as *Means*, approximately 20 percent should be added for public contracting and 30 percent added for inflation to the time of authorization. It should be further noted that estimating standards, such as *Means*, provide cost factors based on projects of a certain size and that estimating for projects outside of that size range will require further judgment on the part of the estimator.

The university should prioritize each of their projects according to the university's needs. Utility projects required to keep the university operational and renovations of existing facilities historically have been the Commonwealth's funding priority. New construction projects have received lower priority and most of the new construction projects built in the mid-1990s were jointly funded projects, with the State System institutions contributing at least one-fourth of the construction cost, even though the State System does not consider funding capital facilities a State System responsibility. The Office of the Chancellor integrates the university's projects into a State System program in integrated priority order.

After the projects are authorized in a capital act, the State System universities submit a Request for Project Action (Figure IV-5) for each authorized project. After funds are released for design, the Department of General Services administers the professional services contract for design or delegates contract administration responsibilities to the State System for design and construction. Specific memorandums of understanding (similar to the sample in Appendix VII-A1) are prepared for each delegated project by the Department of General Services. The project must be administered according to the terms of the agreement.

Memorandums of understanding may also be required by the Department of General Services for all other capital projects similar to the sample as shown in Appendix VII-A-1.

After the design is completed and funds are released for construction, the Department of General Services administers the design and construction contracts of all capital appropriation projects, except those delegated to the System. Delegated projects are constructed according to the procedures specified in the State System's *Administrative Procedures for Contract Procurement for Facilities Projects* manual and the statutory provisions, Board of Governors policies, regulatory provisions, and applicable management directives contained in Volumes I and II of this manual.

When delegated projects are completed, an Occupancy Report (Appendix VII-A-2) must be completed and submitted to the Office of the Chancellor, facilities management office.