



OBJECTIVE

To ensure that the university has the flexibility to undertake facility improvement projects, planning studies, and/or real estate transactions in an expeditious manner while preserving the authority and ability of the Board of Trustees to review and approve major projects as the Board determines appropriate.

POLICY

Applies to: All customers and coordinators of facilities improvement projects, planning studies, and real estate transactions
Issued: 02/2008
Revised: 11/2008
Edited: 01/2009

I. Overview

- A. This policy is not intended to limit Board of Trustee review of any facilities improvement project, planning study or real estate transaction.
- B. The university shall provide for Board of Trustee review in any case in which the provisions of this policy are unclear or subject to varying interpretation.

II. Responsibilities and Authority

- A. The Ohio State University Board of Trustees retains sole authority with respect to university facilities improvement projects and real estate transactions unless otherwise delegated.
- B. The Board desires to provide for the flexibility needed to ensure the timely completion of facilities improvement projects while ensuring that the Board retains the authority and ability to exercise appropriate oversight regarding the facilities improvement process, especially with respect to major projects.
- C. The senior vice president for business and finance, in consultation with the Office of the Board of Trustees, shall be responsible for the coordination of the implementation of this policy.
- D. The senior vice president for business and finance shall have the responsibility and requisite authority for contracting for the university for any energy-saving contract estimated to cost less than \$4,000,000 in accordance with all applicable laws and regulations. This approval constitutes complete



authorization for the project including site selection, design, construction and any services needed, except as specifically noted in the authorization resolution.

- E. Under the direction of the senior vice president for business and finance, the Department of Facilities Operations and Development shall have the responsibility and requisite authority for contracting for the university for any facilities improvement project of any kind (repair, maintenance, renovation, or new construction) estimated to cost \$4,000,000 or more and less than \$10,000,000 in accordance with all applicable laws and regulations.

PROCEDURE

Applies to: All customers and coordinators of facilities improvement projects, planning studies, and real estate transactions

Issued: 02/2008

Revised: 11/2008

Edited: 01/2009

I. Facilities Improvement Projects

- A. For the purposes of this policy, Facilities Improvement Projects are defined as any initiatives undertaken on behalf of the university that improve the physical environment in support of the academic mission. Projects covered under this policy would include, but may not be limited to, activities that involve land acquisition, construction, reconstruction, renovation, demolition, landscaping, roads and grounds improvements/maintenance, building and systems repairs/replacements; client-specific projects, major emergency responses and any capital improvement project. This policy excludes items which would appropriately be directed through the procurement process and subject to the university's procurement policies and guidelines.
- B. Any facilities improvement project estimated to cost less than \$1,000,000 shall follow all applicable university and state procurement guidelines, regardless of funding source.
- C. Any facilities improvement project estimated to cost more than \$1,000,000 but less than \$4,000,000 shall require specific project authorization by the senior vice president for business and finance. This approval constitutes complete authorization for the project, including site selection, design, construction and any services needed, except as specifically noted in the authorization resolution.



- D. Any facilities improvement project estimated to cost \$4,000,000 but less than \$10,000,000 shall require specific project authorization by the Board of Trustees. This approval constitutes complete authorization for the project, including site selection, design, construction, and any other services needed, except as specifically noted in the authorizing resolution.
- E. Any facilities improvement project estimated to cost \$10,000,000 or more shall require specific project authorization by the Board of Trustees that may include site determination, design work, and construction management services, except as specifically noted in the authorizing resolution. For these projects, separate Board authorization shall be required for construction unless specifically included in the project approval resolution.
- F. Once a project of \$4,000,000 or more has been approved by the Board, the university shall not increase the project costs (including costs for design, construction, construction management, or other services) presented to the Board at the time of authorization without specific Board approval except as follows:
1. For projects under \$4,000,000, with the prior written approval of the senior vice president for business and finance, the university may increase individual project contracts or the total project budget as long as the increased project budget does not exceed 10% of the total project budget and funding for the increase is provided by the requesting department or other source and an appropriate report is made to the Board regarding the increase.
 2. For projects of \$4,000,000 or more, with the prior written approval of the senior vice president for business and finance, the university may increase individual project contracts or the total project budget cumulatively by no more than 10% of the total project budget or \$1,000,000, whichever is less, so long as funding for the increase is provided by the requesting department or other source and an appropriate report is made to the Board regarding the increase.
- G. The university shall report annually to the Board of Trustees, at the first meeting of the calendar year, on all projects estimated to cost \$4,000,000 or more that were completed during the previous year. The report will include determination as to whether the project was on time and on budget. The report will also include a summary of all facilities improvement projects greater than \$50,000 completed by Facilities Operations and Development and auxiliary units during the calendar year. The report will be presented according to established annual reporting guidelines.



- H. The university shall report quarterly to the Board on the status of each major facilities improvement project of \$20,000,000 or more that meet the reporting point's criteria, and annually on any other facilities project as required by the Board. The report will include determination as to whether the project is on time and on budget and include appropriate metrics.
- II. Planning Studies and Project Siting
 - A. Any planning study (including any feasibility, technical, siting, or other planning study) estimated to cost \$250,000 or more shall require Board of Trustees authorization (either separately or as part of the facilities project recommendations). Any planning study originally estimated at less than \$250,000 that goes over that amount shall be submitted to the Board for authorization. Any planning study estimated to cost less than \$250,000 and more than \$25,000 shall require senior vice president for business and finance approval.
 - B. Any proposed changes to the approved University Master Plan, Regional Plans, District Plans, and Sub-District Plans shall be subject to review and approval by the Senior Management Council and Board of Trustees.
 - C. Requests for use of a site for any facilities project or any change in activity or program shall be subject to review and approval by the Senior Management Council and Board of Trustees if not in compliance with the approved University Master and District Plans, as determined by the Department of Facilities Operations and Development.
 - III. Real Estate Transactions
 - A. Any easement, other than an easement for street, roadway or highway purposes, to be granted to another party for use of university property for a term of not more than 25 years shall be subject to review and approval by the senior vice president for business and finance.
 - B. Approval replacement (renewal) easements for existing agreements that benefit the university and that were previously approved by the Board of Trustees as outlined in item III.A, may be granted for a like term by the university through the written approval of the senior vice president for business and finance.
 - C. Any sale or purchase of real property in the name of the Board of Trustees or the university, or acceptance of the gift of real property, shall be subject to the review and approval of the Board of Trustees.



- D. The lease of real property by the university for any total term of ten years or more with a total lease value greater than \$1,000,000 shall be subject to review and approval by the Board of Trustees.

IV. Energy Saving Contracts, Including Performance Contracts

- A. Any request for proposals for energy saving contracts that are exempt from the applicable competitive bidding requirements shall follow the requirements of Ohio Revised Code, Section 3345.65.
- B. Proposals shall be analyzed considering the cost estimates of each proposal, how qualified each party submitting a proposal is to implement its proposal, and the institution's ability to pay for each with current revenues or by financing the cost of each.
- C. The proposal most likely to result in the greatest savings may be recommended for contract, when the cost of the proposal is compared to the reduced energy and operating costs that will result from implementing the proposal.
- D. No contract to implement energy saving measures shall be awarded unless one or both of the following circumstances exists, as applicable:
 - 1. In the case of a contract for a cogeneration system described in Ohio Revised Code, Section 3345.61 (B)(8), the cost of the contract is not likely to exceed the amount of money the Board would save in energy and operating costs over no more than five years.
 - 2. In the case of any contract for any energy saving measure other than a cogeneration system, the cost of the contract is not likely to exceed the amount of money the Board would save in energy and operating costs over no more than ten years.
- E. Any energy saving contract estimated to cost less than \$4,000,000 shall require specific authorization by the senior vice president for business and finance. This approval constitutes complete authorization for the project including site selection, design, construction, and any services needed, except as specifically noted in the authorization resolution.
- F. Any energy saving contract estimated to cost \$4,000,000 but less than \$10,000,000 shall require specific project authorization by the Board of Trustees. This approval constitutes complete authorization for the project,



including site selection, design, construction, and any other services needed, except as specifically noted in the authorizing resolution.

- G. Any energy saving contract estimated to cost \$10,000,000 or more shall require specific project authorization by the Board of Trustees that may include site determination, design work, and construction management services, except as specifically noted in the authorizing resolution. For these projects, separate Board authorization shall be required for construction unless specifically included in the project approval resolution.

RESOURCES

Ohio Revised Code, <http://codes.ohio.gov>

Ohio State, [Board of Trustees](#), 614-292-6359

Ohio State, [Facilities Operations and Development](#), 614-292-4458

Ohio State, [Design and Construction](#), 614-292-4458

Approved by Board of Trustees, February 1, 2008, Resolution #2008-81

Approved by Board of Trustees, November 7, 2008, Resolution # 2009-45