Board of Trustees Review and Approval of Facilities Improvement Projects and Real Estate Transactions

Office of Administration and Planning

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

POLICY

Issued: 02/01/2008
Revised: 09/01/2014

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 of Trustees determines appropriate.

The university must provide for Board of Trustee review in any case in which the provisions of this policy are unclear or subject to varying interpretation.

This policy is not intended to limit Board of Trustee review of any project or action as the Board of Trustees determines appropriate.

Purpose of the Policy

The Board of Trustees desires to provide for the flexibility needed to ensure the timely completion of facilities improvement projects while ensuring that the Board of Trustees retains the authority and ability to exercise appropriate oversight regarding the facilities improvement process, especially with respect to major projects.

Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tr>
<td>Facilities improvement projects</td>
<td>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 design, land acquisition, repair, maintenance, construction, reconstruction, renovation, demolition, landscaping, roads and grounds improvements/maintenance, building and systems repairs/replacement, client-specific projects, major emergency responses and any capital improvement project.</td>
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Policy Details

I. The Ohio State University Board of Trustees retains sole authority with respect to university facilities improvement projects and real estate transactions unless otherwise delegated and subject to state law.

II. The senior vice president for administration and planning, in consultation with the Board of Trustees, is responsible for the coordination of the implementation of this policy.

PROCEDURE

Issued: 02/01/2008
Revised: 09/01/2014

I. Facilities Improvement Projects

   A. All facilities improvement projects, including those under $1 million, must follow all applicable
The Ohio State University

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university policies and state procurement guidelines (e.g., Facilities Improvement Project Approval form (FIPA), Internal Controls, Purchasing, University Debt, etc.), regardless of funding source.

B. All facilities improvement projects estimated to cost more than $1 million, regardless of funding source, require specific project funding review and approval by the senior vice president for business and finance and chief financial officer prior to any approval for contracting for design or construction services.

1. Any facilities improvement project estimated to cost more than $1 million but less than $4 million requires specific project review and approval by the senior vice president for administration and planning. This approval constitutes complete approval for the project, including site selection, design, construction and any services needed, except as specifically noted in the approving resolution.

2. Any facilities improvement project estimated to cost at least $4 million but less than $10 million requires specific project review and approval by the Board of Trustees. This approval constitutes complete approval for the project, including site selection, design, construction, and any other services needed, except as specifically noted in the approving resolution.

3. Any facilities improvement project estimated to cost $10 million or more requires specific project review and approval by the Board of Trustees that may include site determination, design work, and construction management services, except as specifically noted in the approving resolution. For these projects, separate Board of Trustee review and approval is required for construction, except as specifically noted in the approving resolution.

C. Once a project of $4 million or more has been approved by the Board of Trustees, the university must not increase the project costs (including costs for design, construction, construction management, or other services) presented to the Board of Trustees at the time of approval without specific Board of Trustee review and approval except as follows:

1. For projects under $4 million, with the prior review and written approval of the senior vice president for administration and planning, the university may increase 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 of Trustees regarding the increase.

2. For projects of $4 million or more, with the prior review and written approval of the senior vice president for administration and planning, the university may increase the total project budget cumulatively by no more than 10% of the total project budget or $1 million, 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 of Trustees regarding the increase.

D. The university must report annually to the Board of Trustees on all projects estimated to cost $4 million 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.

E. The university must report at each board meeting the status of each major facilities improvement project of $20 million or more that meet the reporting point’s criteria, and annually on any other facilities project as required by the Board of Trustees. 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 requires Board of Trustee review and approval (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 requires Board of Trustee review and approval. Any planning study estimated to cost less than $250,000 and more than $50,000 requires review and approval by the senior vice president for administration and planning.

B. Any proposed changes to the approved University Master Plan, Regional Plans, District Plans, and Sub-District Plans requires 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 requires 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 senior vice president for administration and planning.

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 requires review and approval by the senior vice president for administration and planning. Such an easement for a term greater than 25 years requires review and approval of the Board of Trustees.

B. Approval of replacement or 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 review and written approval of the senior vice president for administration and planning.

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, requires review and approval of the Board of Trustees.

D. All leases of real property by the university with a present lease value greater than $10 million requires review and approval by the Board of Trustees. Leases of real property between the university and a significant interest affiliate of the university shall not require review and approval of 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 must follow the requirements of Ohio Revised Code, Section 3345.65.

B. Proposals must 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 can 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 of Trustees 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 of Trustees would save in energy and operating costs over no more than ten years.
Responsibilities

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<tr>
<td>Board of Trustees (Board)</td>
<td>1. Retain sole authority with respect to university facilities improvement projects and real estate transactions unless otherwise delegated, and as subject to and as may be limited by state law.</td>
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<td>2. Review and approve any facilities improvement project estimated to cost $4 million or more.</td>
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<td>3. Review and approve increases in project costs except when the senior vice president of administration and planning has provided written approval of increases that do not exceed the lesser of 10% of the total project budget or $1 million.</td>
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<td>4. Review and approve any planning study estimated to cost $250,000 or more.</td>
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<td>5. Review and approve any planning study originally estimated to cost less than $250,000 that goes over that amount.</td>
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<td>6. Review and approve, with SMC, any proposed changes to the approved University Master Plan, Regional Plans, District Plans, and Sub-District Plans.</td>
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<td>7. Review and approve, with SMC, requests for use of a site for any facilities project or any change in activity or program not in compliance with University Master and District Plans.</td>
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<td>8. Review and approve any easement, other than certain street, roadway and highway easements, to be granted to another party for use of university property for a term greater than 25 years.</td>
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<td>9. Review and approve any sale or purchase of real property and the acceptance of the gift of real property.</td>
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<td>10. Review and approve all leases of real property with a present lease value greater than $10 million except those between the university and a significant interest affiliate.</td>
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<td>11. Review and approve any energy saving contract estimated to cost $4 million or more.</td>
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<td>Senior vice president for Administration and Planning</td>
<td>1. Coordinate and implement this policy in consultation with the Board.</td>
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<td>2. Review and approve any facilities improvement project estimated to cost more than $1 million but less than $4 million.</td>
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<td>3. Review and approve, in writing, increases in total project budgets and report increases to the Board.</td>
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<tr>
<td>Physical Planning and Real Estate, Administration</td>
<td>4. Review and approve any planning study estimated to cost less than $250,000 but more than $50,000.</td>
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<tr>
<td>and Planning</td>
<td>5. Determine whether requests for use of a site for any facilities project or any change in activity or program are in compliance with the University Master and District Plans.</td>
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<td>6. Review and approve any easement to be granted to another party for use of university property for a term of not more than 25 years.</td>
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<td>7. Review and approve, in writing, replacement or renewal easements for existing agreements that were previously approved by the Board.</td>
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Office of Administration and Planning

Position or Office | Responsibilities
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Facilities Operations and Development, Administration and Planning | 8. Ensure that project costs do not exceed approved amount without written approval from the senior vice president for administration and planning or Board approval.
9. Report annually to the Board on all projects estimated to cost $4 million or more that were completed during the previous year.
10. Report at each board meeting the status of each major facilities improvement project of $20 million or more that meet the reporting point’s criteria, and annually on any other facilities project as required.
11. Analyze energy-saving contract proposals for cost, submitter qualifications, and Ohio State’s ability to pay/finance costs.

Senior vice president for Business and Finance and chief financial officer | 1. Review and approve all facilities improvement projects estimated to cost more than $1 million.
2. Review and approve any energy saving contract estimated to cost less than $4 million.

Senior Management Council (SMC) | 1. Review and approve, with the Board, any proposed changes to the approved University Master Plan, Regional Plans, District Plans, and Sub-District Plans.
2. Review and approve, with the Board, requests for use of a site for any facilities project or any change in activity or program deemed not in compliance with University Master and District Plans.

Resources

Ohio Revised Code:
- Section 3345.65 – Request for proposals – awarding of contract
- Section 3345.61 (B)(8) – Energy conservation measures definitions
- Chapter 153 – Competitive Bidding Procedures
- Chapter 4115 – Prevailing Wage Law

University policies:
- Gift Acceptance - advancement.osu.edu/assets/files/Gift_Acceptance_Policy.pdf
- Purchasing, 2.21 - busfin.osu.edu/FileStore/PDFs/221_Purchasing.pdf
- University Debt, 5.20 - busfin.osu.edu/FileStore/PDFs/520_UniversityDebt.pdf
- Internal Controls, 1.11 - busfin.osu.edu/FileStore/PDFs/111_InternalControls.pdf

Forms:
- Facilities Improvement Project Approval (FIPA)

Contacts

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<tr>
<th>Subject</th>
<th>Office</th>
<th>Telephone</th>
<th>E-mail/URL</th>
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<tbody>
<tr>
<td>Planning studies and project siting, Real estate transactions</td>
<td>Physical Planning and Real Estate, Administration and Planning</td>
<td>614-688-3715</td>
<td><a href="http://ap.osu.edu/ppare">http://ap.osu.edu/ppare</a></td>
</tr>
<tr>
<td>General policy questions</td>
<td>Administration and Planning</td>
<td>614-292-3080</td>
<td><a href="http://ap.osu.edu/">http://ap.osu.edu/</a></td>
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History

Issued: 02/01/2008 Approved by Board of Trustees, 02/01/2008, Resolution #2008-81
Edited: 01/01/2009 Approved by Board of Trustees, 11/01/2008, Resolution #2009-45
Revised: 06/05/2009 Approved by Board of Trustees, 06/05/2009, Resolution #2009-99
Revised: 09/01/2014 Approved by Board of Trustees, 04/05/2013, Resolution #2013-88