



Finance and Administration Committee
August 15, 2023

Action Item

FAC – 2 Request for Delegation of Authority to the Chancellor for Approval of Non-Appropriated Capital Improvement Projects between \$100,000 and \$500,000

Background Information

On May 22, 2019, the Board of Governors delegated to the Board of Trustees (BOT) authorization for capital improvement projects designed, constructed, and operated by non-general fund money, with a total project budget of less than \$750,000.

On November 17, 2022, the Board of Governors approved amendments to UNC Policy Manual Sections 200.6, 600.1.1, and Chapter 100.1 regarding the Policy on Delegations and Policy on Design, Construction, and Financing of Capital Improvement Projects. According to the new thresholds, Capital Project Authority for projects between \$100,000 (*decreased* from \$300,000) and \$750,000 requires Board of Trustees authorization.

Based on the above and UNC System Capital Project Procedure Guidance issued on May 31, 2023, the Board of Trustees may further delegate capital improvement project approval of less than \$750,000 to BOT committees, the Chancellor, or a designee, as appropriate. A copy of the formal delegation will be provided to the UNC System Office Capital Planning and Finance Division for the record. BOT authorization of Advanced Planning projects cannot be further delegated for projects of any threshold.

Attachment:

2.1 UNC System Capital Project Procedure Guidance issued May 31, 2023

Requested Action

Based on the above information, that the Board of Trustees of the University of North Carolina at Greensboro delegate authority to the Chancellor for approval of non-appropriated capital improvement projects between \$100,000 and \$500,000. All such approvals by the Chancellor shall be reported as Information Items at the next meeting of the Board of Trustees.

A handwritten signature in black ink, reading "Robert J. Shea, Jr." in a cursive style.

Robert J. Shea, Jr.

Vice Chancellor for Finance and Administration

UNC SYSTEM CAPITAL PROJECT PROCEDURE GUIDANCE

		PROJECT DOLLAR THRESHOLD ¹					Constituent Institutions with Additional Delegated Capital Authority	
		Less than \$100,000 ³	\$100,000 to \$499,999	\$500,000 to \$749,999		\$750,000 to \$4,000,000	More than \$4,000,000	
AUTHORIZATION	APPROPRIATED/ NON-APPROPRIATED	Chancellor's \$600K	Chancellors may authorize repair and renovation projects \$600,000 or less					
		Emergency Projects	<ul style="list-style-type: none"> Submit Chancellor's approval with request for Code/Item number to UNCSCO Submit CI-1 and OC-25 to UNCSCO University establishes in IBIS University establishes financial system entries (Fund/Center, etc.) 					
	APPROPRIATED	Capital Project Authority (General Fund Sources Only, Cash or Debt)	Authorized by Legislative Action	Authorized by Legislative Action	Authorized by Legislative Action		Authorized by Legislative Action	Authorized by Legislative Action
		Capital Code/Item #	<ul style="list-style-type: none"> UNCSCO establishes in Interscope UNCSCO establishes in IBIS University establishes related financial system entries (Fund/Center, etc.) 	<ul style="list-style-type: none"> UNCSCO establishes in Interscope UNCSCO establishes in IBIS University establishes related financial system entries (Fund/Center, etc.) 	<ul style="list-style-type: none"> UNCSCO establishes in Interscope UNCSCO establishes in IBIS University establishes related financial system entries (Fund/Center, etc.) 		<ul style="list-style-type: none"> UNCSCO establishes in Interscope UNCSCO establishes in IBIS University establishes related financial system entries (Fund/Center, etc.) 	<ul style="list-style-type: none"> UNCSCO establishes in Interscope UNCSCO establishes in IBIS University establishes related financial system entries (Fund/Center, etc.)
	NON-APPROPRIATED	Capital Project Authority (Non-appropriated Sources Only)	University	<ul style="list-style-type: none"> BOT authorization⁴ Submit CI-1 and OC-25 to UNCSCO 	<ul style="list-style-type: none"> BOT authorization⁴ Submit CI-1 and OC-25 to UNCSCO 		<ul style="list-style-type: none"> Submit to UNCSCO for BOG authorization CI-1 and OC-25 required 	<ul style="list-style-type: none"> Submit to UNCSCO for BOG authorization CI-1 and OC-25 required
		Capital Code/Item #	Not applicable	<ul style="list-style-type: none"> UNCSCO establishes in Interscope University establishes related financial system entries (IBIS, etc.) 	<ul style="list-style-type: none"> UNCSCO establishes in Interscope University establishes related financial system entries (IBIS, etc.) 		<ul style="list-style-type: none"> UNCSCO establishes in Interscope University establishes related financial system entries (IBIS, etc.) 	<ul style="list-style-type: none"> UNCSCO establishes in Interscope University establishes related financial system entries (IBIS, etc.)
		Advanced Planning	<ul style="list-style-type: none"> BOT authorization (cannot be further delegated) Submit CI-1 and OC-25 to UNCSCO 	<ul style="list-style-type: none"> BOT authorization (cannot be further delegated) Submit CI-1 and OC-25 to UNCSCO 	<ul style="list-style-type: none"> BOT authorization (cannot be further delegated) Submit CI-1 and OC-25 to UNCSCO 		<ul style="list-style-type: none"> BOT authorization (cannot be further delegated) Submit CI-1 and OC-25 to UNCSCO 	<ul style="list-style-type: none"> BOT authorization (cannot be further delegated) Submit CI-1 and OC-25 to UNCSCO
	DESIGN	Designer Selection (Refer to G.S. 133-1.1)	Open-end agreement or Direct selection	Open-end agreement or Direct selection	Public advertisement		Public advertisement	Public advertisement
		Approval of Selection	BOT	BOT	BOT		BOT	BOT
		Designer's Contract	<ul style="list-style-type: none"> University negotiates University executes 	<ul style="list-style-type: none"> University negotiates University executes 	<ul style="list-style-type: none"> University negotiates University executes 		<ul style="list-style-type: none"> University negotiates University executes, copy to UNCSCO and SCO 	<ul style="list-style-type: none"> University negotiates University executes, copy to UNCSCO and SCO
Reporting/Recording		University records in Interscope	University records in Interscope	University records in Interscope		University records in Interscope	SCO records in Interscope	
Plan Review and Approval		<ul style="list-style-type: none"> SCO code review, as applicable SCO electrical inspections required 	<ul style="list-style-type: none"> SCO code review, as applicable SCO electrical inspections required 	<ul style="list-style-type: none"> SCO code review, as applicable SCO electrical inspections required 		<ul style="list-style-type: none"> SCO code review, as applicable SCO electrical inspections required 	<ul style="list-style-type: none"> SCO code review, as applicable SCO electrical inspections required 	
ADMINISTRATION	CONSTRUCTION	Bidding	<ul style="list-style-type: none"> University may directly select contractor Good practice may include informal competition Consider opportunities to directly select HUB firms 	<ul style="list-style-type: none"> University informally solicits competitive bids Public bidding not required Institutions are strongly encouraged to invite HUB firms to respond to informal solicitations 	<ul style="list-style-type: none"> University solicits competitive bids Informal solicitation for estimated construction cost less than \$500,000; if \$500,000 or more, use formal solicitation Public bidding required per G.S. 143-129 Institutions are strongly encouraged to solicit HUB bidders 		<ul style="list-style-type: none"> University solicits competitive bids Formal solicitation for estimated construction cost \$500,000 or more Public bidding required per G.S. 143-129 Institutions are strongly encouraged to solicit HUB bidders 	<ul style="list-style-type: none"> University solicits competitive bids Formal solicitation for estimated construction cost \$500,000 or more Public bidding required per G.S. 143-129 Institutions are strongly encouraged to solicit HUB bidders
		Forms for Bid Documents	Not applicable	Template SCO informal contract format, notice to bidders, and general conditions, supplemented w/ institution-specific requirements	UNC System formal contract template, notice to bidders, and general conditions		UNC System formal contract template, notice to bidders, and general conditions	SCO State of North Carolina formal contract template, notice to bidders, and general conditions
		Bonding Requirement	Not applicable	Not required by law, University can require	Required on formal bid solicitations (\$500,000 or more)		Required on formal bid solicitations (\$500,000 or more)	Required
		Contract Awarding Authority	University	University	UNCSCO		UNCSCO	SCO
		Form of Contract	Informal	Informal	Informal or UNC System formal, according to bid type		Informal or UNC System formal, according to bid type	SCO State of North Carolina formal
		Reporting/Recording Contract	Not required	University	University		University	<ul style="list-style-type: none"> SCO awards University executes, copy to SCO
		HUB Participation Reporting ²	Not required	University	University		University	<ul style="list-style-type: none"> SCO makes entries at award University maintains current entries University updates at final acceptance
		Change Order (CO) Processing	<ul style="list-style-type: none"> University authorizes/approves University executes in writing Recording in Interscope is not required 	<ul style="list-style-type: none"> University authorizes/approves University executes in writing University records in Interscope, manual entry 	<ul style="list-style-type: none"> CO initiated in Interscope University authorizes/approves in Interscope CO documents maintained in Interscope 		<ul style="list-style-type: none"> CO initiated in Interscope University authorizes/approves in Interscope UNCSCO authorizes/approves in Interscope CO documents maintained in Interscope 	<ul style="list-style-type: none"> CO initiated in Interscope University authorizes/approves in Interscope SCO authorizes/approves in Interscope CO documents maintained in Interscope
		Final Inspection	If designer is engaged, designer certification is required	If designer is engaged, designer certification is required	Designer's certification required	Notify SCO of scheduled final inspection		Designer's certification required

THRESHOLD FOR BOARD OF GOVERNORS APPROVAL W/O ADDITIONAL DELEGATED CAPITAL AUTHORITY

¹ Project authority thresholds are based on the overall project budget, including design, construction, contingency, etc. Contract awarding authority follows initial project authority level. Construction bidding thresholds are based on project **construction cost** alone.

² All construction contracts over \$100,000 must be entered in Interscope with HUB participation reported in compliance with G.S. 143-131.

³ S.L. 2022-74, Section 40.9.(b). modified G.S. 143-131 increased the dollar threshold for requiring informal bidding for contracts for construction or repair work involving the expenditure of public money from \$30,000 to \$100,000 for the University of North Carolina and its constituent institutions. Constituent institutions are strongly encouraged to maximize HUB participation for all contracts, including direct select and informally bid awards.

⁴ The Boards of Trustees may further delegate capital project approval less than \$750,000 to BOT committees, the chancellor, or chancellor's designee as appropriate. Provide a copy of the BOT's formal delegation to the UNC System Office-Capital Planning and Finance Division.

ACRONYMS:

BOG - Board of Governors
 BOT - University Board of Trustees
 SCO - State Construction Office
 UNCSCO - UNC System Office