Contact: Kristin Bauer

BOARD POLICY MANUAL REVISIONS

Action Requested: Approve proposed Board Policy Manual revisions to Chapter 2.3 - Property and Facilities to make approval thresholds more consistent and to improve clarity.

Executive Summary:

Section 2. Real Property

E. Leases

~~vii. Lease arrangements to be approved by the Board or the institutions will use a form as provided by the Board Office. Deviations from this form for university-approved leases will require the Board Office and institutional general counsel approval.~~

vii. Lease arrangements to be approved by the Board or the institutions will include language approved by Board counsel in consultation with institutional general counsel, which aligns with necessary provisions of certain lease terms applicable to State entities, including but not limited to insurance, liability, indemnification and other risk management concerns. Deviations from this form for university-approved leases will require the Board Office and institutional general counsel approval.

Section 3. Capital Improvement Projects - Definitions, Duties and Responsibilities

A. Definition of Capital Improvement Project, New Construction and Renovation

i. A capital improvement project is one with a budget over $100,000, which provides an entirely new structure or major addition ("new construction") or an upgrade to an existing building or system ("renovation"), including projects for utilities, grounds, razings, mechanical/electrical system upgrades, restroom modifications, roof replacements, exterior envelope repairs and equipment projects~~. ("equipment project")~~.

~~B. Iowa State University shall manage capital improvement projects at the Iowa School for the Deaf (ISD).~~

Section 7. Design Professional and Alternative Delivery Method Selections, Agreements and Amendments

A. ~~Design Professional~~ Definitions

Design Professional Agreements include, but are not limited to, agreements for architectural, engineering or other design services. Construction Manager at Risk agreements for construction are as defined by the Iowa Code.

B. Indefinite Services Agreements:

Indefinite Services (IS) Agreements are a set of multiple standing three-, four- or five-year Design Professional agreements for project budgets under $5 million. IS Agreements do not require Board Office approval.

IS Agreements save administrative funds and time by skipping the resource-intensive formal Design Professional Selection process.

IS Agreements were established by the institutions in 2021 through formal Design Professional Selection Processes at each university. The IS Agreements may be used by the institutions to directly hire any Design Professional who holds an IS Agreement throughout the five-year term of the agreement. If an IS Agreement is not a good fit for a project budget under $5 million, the institutions can always use the formal Design Professional Selection Process.

IS Agreement five-year term compositions being a:
four-year base + one year extension (4+1) agreement or a
three-year base + one year extension + one year extension (3+1+1) agreement.

Examples (subject to change):

Architecture Indefinite Services Agreements:
- Architectural General – Classrooms, Learning Spaces, Offices, Administrative
- Architectural – Building Envelope Design
- Architectural – Dining, Food Service Design
- Architectural – Laboratory Design
- Architectural – Landscape Architecture

Engineering Indefinite Services Agreements:
- Civil Engineering
- Structural Engineering
- Mechanical, Electrical, Plumbing and Technology (MEPT) Engineering
- Utility Engineering
- Geotechnical Engineering and Construction Testing

Building Commissioning Indefinite Services Agreements:
- Building Commissioning – Building Envelope
- Building Commissioning - Mechanical, Electrical, Plumbing and Technology (MEPT)
- Air Emission Dispersion Modeling

University of Iowa Hospitals and Clinics Indefinite Services Agreements:
- UIHC – Architectural Lead Healthcare
- UIHC – Mechanical, Electrical, Plumbing and Technology (MEPT)

Toward the end of the IS Agreement's five-year term, each university shall conduct a new formal Design Professional Selection process and acquire the next set of Design Professionals, such that there is a seamless transition between IS Agreement terms.

C. Design Professional or Construction Manager at Risk Agreements

i. Projects budgets less than $1,000,000 shall be reviewed and approved by the institutions. For project budgets under $5,000,000, IS Agreements may be used by the institutions without Board Office approval.

ii. Projects budgets more than $1,000,000 shall be reviewed and approved by the Board Office. For project budgets under $5,000,000, IS Agreements may be used by the institutions without Board Office approval.

Section 13. Bid Openings, Receipt of Construction Bids and Award of Construction Contracts

A. Notification of Bid Openings

~~The universities shall notify the Board Office immediately, when a bid opening for a project budget of $500,000 or more is scheduled.~~ The universities shall post on their websites bid results and upcoming bid openings.

For estimated construction costs over $100,000, the *Iowa Code* §2.3 section 1 states *"All plans and specifications for repairs or construction, together with bids on the plans or specifications, shall be filed by the board and be open for public inspection."*

Section 14. Construction Contracts and Change Orders

B. Reports and Awarding of Contracts

i. For projects with approved budgets under $1,000,000, the construction contract shall be awarded by the institution unless there are unusual circumstances, other than a minor irregularity, in which case the award shall be referred to the Board Office for action.

ii. On projects budgets of ~~$500,000~~ over $1,000,000 ~~or more~~, the universities shall forward to the Board Office a copy of the bid tabulation within 24 hours of the bid opening. The bid tabulation shall include the construction cost estimate(s) for the Base Bid and any alternates.

~~iii. For projects with approved budgets between $500,000 and $1,000,000, the construction contract shall be awarded by the institution, unless there are unusual circumstances, other than a minor irregularity, in which case the award shall be referred to the Board Office for action.~~

iv. For projects with approved budgets ~~of~~ over $1,000,000 ~~or more~~, the construction contract shall be awarded by the Board Office, but may be referred for Board action at the discretion of the Board Office.

d. The construction contract shall not be awarded until the university receives Board Office approval. Upon approval, the university ~~may~~ issues a "Notice of Award" to the contractor. ~~with a copy to the Board Office.~~

~~v. Regardless of other provisions of this Manual, for all project budgets exceeding $500,000 for which there are unusual circumstances other than a minor bidding irregularity, the construction contract shall be awarded by the Board Office.~~

15. Acceptance of Completed Construction Contracts

~~C. All construction contracts within project budgets of $500,000 or more, which have been accepted as complete by the chief business officer, shall be reported to the Board Office.~~

16. Final Reports

Final reports for completed capital projects with project budgets over $1,000,000 ~~or more~~ shall be sent to the Board Office in a timely manner. Final reports for projects under $1,000,000 shall be retained by the institutions. The final report document shall show in summary form the last approved project budget, expenditures, balance or overdraft in the project account. For any surplus project funds, describe where those funds would be allocated. For any overdraft of project funds, provide an explanation.