

## 51.01 Capital Planning

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### Policy Statement

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Capital projects identified by members of The Texas A&M University System (system) are compiled into the five-year capital plan which also identifies available resources for project funding or debt repayment.

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### Reason for Policy

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Capital needs shall be determined as part of a long-term planning process to identify new construction, repairs, renovations, rehabilitation of existing facilities, real property acquisitions, and other capital projects.

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### Procedures and Responsibilities

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#### 1. APPROVAL OF CAPITAL PLAN

- 1.1 Each fiscal year the system Board of Regents (board) will approve the capital plan for the next five years.
- 1.2 Projects not included on the approved capital plan will be presented to the system board as exceptions.
- 1.3 System board approval shall constitute approval for initiation of the next fiscal year's projects and of funding sources identified on the capital plan.
- 1.4 System board approval authorizes the appropriation of up to 10% of the planning amount for next fiscal year's proposed projects for pre-construction activities as defined in System Policy 51.04, *Delegations of Authority on Construction Projects*.

#### 2. CAPITAL PLAN PROJECTS

2.1 Capital projects are defined as:

- (a) New construction of buildings, facilities or other permanent improvements with scopes of \$4,000,000 or more.
- (b) Additions to buildings, facilities or other permanent improvements with scopes of \$4,000,000 or more.
- (c) Repair, renovation or rehabilitation of existing buildings, facilities or other permanent improvements with scopes of \$4,000,000 or more.
- (d) Real property acquisitions.
- (e) Projects or acquisitions funded using Higher Education Fund (HEF), Permanent University Fund (PUF) and/or Revenue Financing System (RFS) debt proceeds.

2.2 For each project to be included on the capital plan, the following information will be provided by the system member.

- (a) Name of project.
- (b) Description of project.
- (c) If new construction or addition, assignable net square foot, educational & general net square foot and gross square foot of space needed and justification for space need.
- (d) If repair, renovation or rehabilitation, existing assignable net square foot, educational & general net square foot and gross square foot of space.
- (e) Project impacts on infrastructure.
- (f) Project planning amount.
- (g) Fiscal year in which project design will be initiated.
- (h) Source of funds for project.
  - 1. If RFS debt proceeds, debt repayment source must be identified.
  - 2. If cash funded, source of funds must be identified.
  - 3. PUF shall not be identified as the source of funds for a project until a commitment has been made by the chancellor.
  - 4. Tuition revenue bonds (TRB) shall not be identified as a funding source for a project until authorized by the legislature.

2.3 For each auxiliary project included in the first two fiscal years on the capital plan, a Pro Forma Financial Statement is required and shall address capital cost, operating cost and maintenance cost for the first five (5) years of occupancy.

2.4 All pre-planning and planning studies for new construction, additions, and repair, renovation or rehabilitation capital projects shall be administered by The System Office of Facilities Planning and Construction (FPC).

### 3. MASTER PLANS

All system members are required to have a master plan which is consistent with projects in the capital plan. The master plans shall be periodically reviewed by the system member and updated when necessary. Master plans and updates shall be consistent with the system member's development strategy and be submitted to the system board for review. Master plans and updates shall be administered by FPC.

### 4. LIFE CYCLE COST ANALYSIS

FPC, in conjunction with the system members, will develop a life cycle cost analysis (LCCA) during the design for building projects on the capital plan. The LCCA will identify to FPC and the system members personnel, alternatives for materials and design in order to optimize the operating, maintenance and initial costs.

### 5. GENERAL PROJECT REQUIREMENTS

5.1 All facilities designed and constructed within the system shall comply with all applicable state and federal laws and regulations.

5.2 A program of requirements (POR) or statement of work (SOW) shall be prepared by FPC for all major construction projects as defined in *Policy 51.04, Delegations of Authority on Construction Projects*. The POR or SOW must be approved by the system member chief executive officer (CEO) or designee. Changes to the POR/SOW during the design and construction process that involve function, budget or architectural appearance shall also be approved by the CEO or designee.

The POR shall identify existing furnishings that are to be reused and new furnishings that will be required. Refer to System Policy *51.05, Furnishing and Equipping New and Renovated Buildings*. The procurement of required new furnishings shall be included in the scope of the project unless indicated otherwise in the POR and approved by the chancellor or designee.

5.3 Contract administration of all design and construction projects is required. Contract administrators shall verify compliance by all parties with contract requirements and certify that all parts of the contract(s) are completed prior to project close-out and/or occupancy.

A database will be maintained by FPC to track all projects on the capital plan through design and construction and to assure compliance with project requirements.

5.4 Appropriate environmental surveys/evaluations shall be conducted on all construction projects. All required provisions shall be incorporated in the design and required abatement/mitigation performed and/or clearances obtained.

5.5 Performance and payment bonds for the full construction amount underwritten by surety companies authorized to conduct business in the state of Texas are required on all projects.

- 5.6 The advertising policy for procurement relating to construction projects within the system includes print and electronic forms of media publication.

All requests for bids or requests for competitive sealed proposals for the construction, repair, renovation or rehabilitation of permanent improvements, for movable furnishings and/or movable equipment shall be advertised by methods that provide the best value to the system.

- 5.7 The completion of all construction projects shall include the training of respective system member personnel in the operation and maintenance of facility systems before transfer of the facility. The completion of all construction projects shall include a recommended maintenance schedule. The system member shall be required to have sufficient staffing to maintain its facilities and provide annual training of maintenance personnel in the operation and maintenance of its facilities.

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## **Related Statutes, Policies, or Requirements**

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[System Policy 51.04, Delegations of Authority on Construction Projects](#)

[System Policy 51.05, Furnishing and Equipping New and Renovated Buildings](#)

[Texas Government Code Chapter 2253](#)

[Texas Education Code, Chapter §51.9335](#)

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## **Contact Office**

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