

51.04 Delegations of Authority on Construction Projects

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Policy Statement

This delegation of authority pertains to construction projects only and supersedes all existing delegations of authority which affect construction projects. A construction project is any work involving the construction, repair, renovation, or rehabilitation of buildings, facilities or other permanent improvements on the properties of the system accomplished by a construction contract, use of physical plant personnel, or by purchase order and/or any work which is designed, in whole or in part, by a contracted architect/engineer.

Reason for Policy

This policy delegates to the chancellor the authority to enter into any and all contracts necessary to complete a capital project after the project has been approved by the Board of Regents (board) of The Texas A&M University System (system).

Procedures and Responsibilities

1. GENERAL

A construction project shall not be separated into smaller segments of funding, cost, work or function to avoid the approval by a higher administrative authority.

Pre-construction activities include preparation of program of requirements/statement of work, work of architect/engineer design team, design assistance from design-build team or construction manager at risk firm, environmental surveys, site survey, soils investigation work and any other activity as required to design the project. Projects shall be presented by the system member chief executive officer (CEO) to the board for approval when a scope and budget are better defined and prior to any construction contract award. Any applicable changes will be included in the capital plan with an update to any required pro forma financial statement. Upon board approval of the project the chancellor is authorized to enter into all contracts necessary to construct and complete the project.

For any capital project funded with gift funds, the system member must have 50% of the gift funds in hand and another 25% in pledges before approval for construction on the project is received. For any funds not in hand, an unrestricted source of funds must be identified to pay for the project or for the repayment of debt prior to approval for construction.

All auxiliary enterprise construction projects will be presented to the chancellor prior to the approval for construction and will include 1) a pro forma income statement to the final maturity of the associated debt issued or twenty (20) years, whichever is longer; and 2) if a project is supported by an on-going enterprise, income statements from the associated operations for that enterprise for the last three (3) years.

2. MAJOR PROJECTS

Major projects are defined as projects for the construction of new buildings, facilities or other permanent improvements and additions to buildings, facilities or other permanent improvements with scopes of \$1,000,000 or more in cost, and projects for the repair, renovation or rehabilitation of existing buildings, facilities or other permanent improvements with scopes of \$2,000,000 or more in cost. Major projects will be administered by Facilities Planning and Construction.

3. MINOR PROJECTS

Minor projects are defined as projects for the construction of new buildings, facilities or other permanent improvements and additions to buildings, facilities or other permanent improvements that are less than \$1,000,000 in cost, and projects for the repair, renovation or rehabilitation of existing buildings, facilities or other permanent improvements that are less than \$2,000,000 in cost. With respect to such minor construction and rehabilitation projects, the chancellor, or designee, is hereby authorized to:

- (a) Appropriate funds to provide project funding;
- (b) Select and contract with architect/engineer design teams, design-build teams and construction manager at risk firms;
- (c) Award, execute and administer contracts;
- (d) Perform any actions necessary to complete construction and rehabilitation; and
- (e) Subdelegate any or all provisions of this delegation and report such subdelegations to the board in accordance with System Policy 25.07, *Contract Administration*. The chancellor or System Offices designee, specifically reserves the authority to appropriate funds from debt proceeds.

4. SUPPLEMENTAL APPROPRIATIONS

The chancellor, or designee, is hereby authorized to appropriate additional funds, in varying amounts, only after a construction contract has been awarded, to provide supplemental funding for construction projects in progress, provided the supplemental appropriations do

not add scope to the construction contract or exceed 10% of the board-approved project budget and do not cause the project to be submitted or resubmitted for approval by the Texas Higher Education Coordinating Board.

5. OTHER AUTHORIZATIONS

The chancellor is hereby authorized to promulgate construction procedures and update these, as required, for implementing the authorizations delegated herein.

Related Statutes, Policies, or Requirements

[System Policy 25.07, Contract Administration](#)

[System Policy 51.01, Capital Planning](#)

Contact Office

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