

**THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL  
CAPITAL IMPROVEMENT PROJECT PROCESS**

This document describes the project development and approval process for Capital Improvement Projects, defined as projects larger than \$300,000. (Projects under this amount must follow the process for in-house projects developed by Facilities Services.) The attached Exhibit A covers the processes related to the review of funding plans and related considerations.

**BUDGET APPROVAL SEQUENCE**

1. Funding is provided by direct state appropriation (including bond-funded appropriations)

**OR**

2. A self-liquidating project that requires borrowing on the part of the institution

**OR**

3. A self-liquidating project (regardless of funding source - gifts, grants, etc.) that will impose a continuing operation and maintenance funding obligation on the state.

A project **MAY** be approved by the Governor and/or Advisory Budget Commission, if:

Funding is provided from non-appropriated sources (gifts, grants, overhead receipts, investment, income, etc.) and imposes no continuing obligation on the state for maintenance and operations.

---

**A. Process for projects which must be approved by the General Assembly**

1. Identification of a tentative facility need by a school, department, institute or supportive function.
2. Analysis of the space need by Facilities Planning, including examination of existing space use and condition.
3. Definition of new space and/or renovation requirements (prepared by Facilities Planning with assistance from the using Department or School).
4. Preparation of project description and cost estimate by Facilities Planning. (This cost estimate is verified by the State Construction Office.)
5. Review of proposed project scope, funding plan and academic and administrative support costs by Facilities Working Group to insure project feasibility (Please see attached Exhibit A that describes the process for the review of project funding plans.)
6. Review of proposed project scope, funding plan and academic and administrative support costs by the Facilities Planning Committee to insure that the project is consistent with the goals, objectives, and priorities of the University. (Maintenance and repair type projects are not normally reviewed by the Facilities Planning Committee.)
7. Evaluation of proposed project by the Facilities Planning Committee and Chancellor with a decision to proceed or cancel the project.

8. Preparation of project budget submission to the Office of the President (by Facilities Planning in accordance with instructions issued by the Office of the President).
9. Establishment of project priorities by the Facilities Planning Committee and Chancellor.
10. Submission of budget to the Office of the President.
11. Review and approval of proposed budget request and establishment of system-wide priorities by the Office of the President.
12. Establishment of recommended budget for all state agencies by the Governor and Advisory Budget Commission.
13. Consideration of budget requests by the General Assembly, resulting in funding and/or authorization of project.
14. Where funding of an authorized self-liquidating project involves borrowing, the project request must be resubmitted to the Office of the President, Board of Governors, and State Budget Office for approval of the method of financing.

**B. Process for projects which may be approved by the Governor and/or Advisory Budget Commission**

- 1.
- 2.
- 3.
4. Same as for approval by General Assembly.
- 5.
- 6.
- 7.
8. Submission of budget request to Office of the President.
9. Review and approval of the project by the Board of Governors.
10. Submission of the budget request to the State Budget Office.
11. Review and approval of the project by the Governor and/or Advisory Budget Commission.

**C. Process for Foundation developed projects:**

**Departments, institute, school, or supportive function seeking to develop projects through a foundation must utilize Facilities Planning and Construction for project management services.**

**All Foundation projects must be authorized by the Foundation's governing board.**

1. Identification of a tentative facility need by a school, department, institute or supportive function.
2. Analysis of the space need by Facilities Planning, including examination of existing space use and condition.

3. Definition of new space and/or renovation requirements (prepared by Facilities Planning with the using Department or School or Foundation).
4. Preparation of project description and cost estimate by Facilities Planning.
5. Review of proposed project including program scope, funding plan, and academic and administrative support costs by the Facilities Working Group to insure project feasibility (Please see attached Exhibit A that describes the process for the review of project funding plans for Foundations.)

**Facilities Working Group shall also review proposed project delivery system to ensure that Foundation developed project is the preferred alternative to the State Capital Improvement Project process.**

**Facilities Working Group forwards evaluation of proposed project to Facilities Planning Committee for approval.**

6. Evaluation of proposed project including program scope, funding plan, and academic and administrative support costs, and project delivery system by the Facilities Planning Committee to insure that the project is consistent with the goals, objectives, and priorities of the University.

**Facilities Planning Committee forwards recommendation to Chancellor for final decision to proceed or cancel project**

**If the project developed by a Foundation will impose a continuing operation and maintenance funding obligation on the state, then the project must be approved by the General Assembly.**

That approval requires the following steps:

7. Submission of budget request to Office of the President.
8. Review and approval of the project by the Board of Governors.
9. Submission of the budget request to the State Budget Office.
10. Review and approval of the project by the Governor and/or Advisory Budget Commission.
11. Consideration of budget requests by the General Assembly, resulting in funding and/or authorization of project.

### **SITE SELECTION PROCESS FOR ALL UNIVERSITY PROJECTS**

1. The Master Plan for the University sets forth parameters to be used in considering building sites and suggests areas on the campus that are appropriate for development.
2. Facilities Planning, working with the appropriate school or department and vice chancellor, prepares a recommendation for siting.
3. Facilities Planning brings proposed site selection to Facilities Working Group and Facilities Planning Committee for review and approval.
4. Review and approval of site recommendation by the Chancellor's Buildings and Grounds Committee.
5. Review and approval of site recommendation by the Chancellor.
6. Review of recommendation and approval of site by the Board of Trustees.

## AND FOR FOUNDATION DEVELOPED PROJECTS

6. Review and approval of foundation developed project and site from Board of Trustees.
7. Approval of lease of site to Foundation by the Board of Trustees.
8. Request lease approval of site from the University to Foundation from Board of Governors, State Property Office, Government Operations with final approval from Council of State.

Lease approval by Board of Governors, State Property, Government Operations and Council of State must occur prior to beginning construction.

**Foundation developed projects must have review and approval for project and site from Board of Trustees prior to beginning Designer Selection process.**

- 
- Normally, this process runs concurrently with selection of the project architect; however, site selection may:
    - Precede designer selection.
    - Be conditional, subject to more detailed study by the project architect.
    - Be delayed until project architect has had the opportunity to study several alternative sites and prepare a specific site recommendation, based on further analysis of program needs.

## PROJECT DESIGN APPROVAL PROCESS

1. After the project is funded or authorized by the General Assembly or Governor/Advisory Budget Commission,

**OR**

After advance planning is funding by General Assembly,

**OR**

After advance planning is authorized by the State Budget Office (State Budget Office cannot authorize advance planning with use of state appropriated funds, or when appropriated funds will be requested to construct the project),

the need for design services is advertised in the *North Carolina Purchase Directory* and on the Office of the President's website. (The *North Carolina Purchase Directory* is an online publication of the State Purchasing Office.)

2. A recommendation for selection of the designer is prepared in accordance with State Building Commission procedures, which includes:
  - Receipt of proposals from interested firms.
  - Short-listing of four to six firms for interview by interview committee established for the particular project. (See explanation of interview committees at end of this section.)
  - Recommendation by interview committee of three firms in priority order.
  - Review of recommendation by Buildings and Grounds Committee (for selection of architects.)
  - Review of recommendation by the Chancellor.
  - Review of recommendation and approval of selection of the designer by the Board of Trustees. (The Board of Trustees has delegated authority to the Chancellor for final selection of architects and engineers for maintenance, renovation, and repair type projects for which the total cost is less than \$500,000.)

3. The State Construction Office is requested to negotiate a design agreement (including fee) with the selected designer. (This agreement is then executed by the designer and the University.)
4. The architect prepares a **Schematic Design** of the proposed project, which is a "graphic representation of the written program." The Schematic Design does not address building form or details of exterior development. The Schematic Design is simply a tentative floor plan that establishes functional relationships and overall project scope.
5. Schematic Design is submitted to the University, Office of State Construction, State Insurance Department, and other appropriate state agencies for review and approval to continue project development.
6. The architect prepares the Design Development Phase of the project. This is the phase of project development where all major decisions are made concerning building systems and exterior design.
7. During the Design Development Phase, informal meetings are held with all persons concerned about the development of the project, including Facilities Planning, Board of Trustees Buildings and Grounds Committee or identified representatives, and the Chancellor to solicit input on the proposed exterior building design. The purpose of these meetings is to develop consensus on building design. (Obviously all the details of the building design are not developed at this point in time.)
8. The proposed building design is submitted to the Chancellor's Buildings and Grounds Committee for review, comment, and approval.
9. The proposed building design is submitted to the Board of Trustees for review, comment, and approval.
10. The Design Development Phase is formally submitted to the University, State Construction, State Insurance, and other appropriate state agencies, for review and approval to continue project development.
11. The Architect prepares the **Construction Document Phase** of the project, which is then submitted to the University, State Construction Office, State Insurance Department, and other appropriate state agencies, for review and approval.
12. The University is subject to local zoning ordinances. (The Chapel Hill ordinance has the most impact, although portions of University lands are governed by Carrboro, Orange County, or Durham County ordinances, depending on locations.)

The location, scope and/or nature of the building determine the appropriate interaction with the Town of Chapel Hill:

- For buildings within OI-4 zoning district and included in the approved Development Plan:  
A Site Development Permit – a staff review process.
- For all new buildings and/or additions outside OI-4 or for ones within OI-4 but not in the approved Development Plan:  
A zoning compliance permit - a staff review process.
- For certain buildings governed by special provisions of the ordinance:  
A special use permit - a public review process involving staff, planning board, town council, public hearings, etc. (a process that takes 6- 15 months from date of application.)
- For buildings in local historic districts:  
A certificate of appropriateness from the Chapel Hill Historic District Commission.

Submission to the Town is made as soon as possible, but cannot be made until all necessary details are

worked out. Normally occurs toward the end of the Construction Document Phase.

13. Approval of the final plans and specifications by the Board of the Trustees, if more than 12 months have lapsed since the design approval.
14. Approval of final plans and specifications (after corrections and responses to comments) by State Construction Office, State Insurance Department, and other appropriate state agencies.
15. Release of project for bids by the State Construction Office. (Release for bids cannot occur until full construction funding is in place or appropriately arranged for --as is the case of a bond sale.)

### **INTERVIEW COMMITTEES FOR SELECTION OF PROJECT ARCHITECTS AND ENGINEERS**

The selection of architects and engineers is governed by the rules of the State Building Commission. These rules ask that committees be formed to:

- a. review letters of proposal and participate in short-listing firms for further consideration,
- b. interview (for all projects over \$500,000) from three to six firms, and
- c. recommend a final slate of three firms, listed in priority order.

The membership of these committees is drawn from the staffs of Facilities Planning & Construction, Campus Services and the using department or school. For consideration of architects, one or two members of the Buildings and Grounds Committee are added, plus one or two Board of Trustees members on major projects. The membership of these committees normally varies from four to ten persons.

### **PROJECT DESIGN APPROVAL PROCESS FOR FOUNDATION DEVELOPED PROJECTS**

1. The need for design or design/build services may be addressed to a list of designers or developers identified by the Foundation, using department, institute, school or supportive function.
2. Membership of interview committee may be drawn from Facilities Planning, representatives from Board of Trustees and Chancellor's Buildings and Grounds Committee in addition to those identified by the Foundation, using department, institute, school or supportive function.
  - It is recommended that the interview committee identify more than one recommended firm and rank the firms.
  - Review of recommendation by the Chancellor.
3. The Foundation or using department, institute, school or supportive function with Facilities Planning will negotiate a design agreement (including fee) with the selected designer. Facilities Planning will retain copy of design agreement and all amendments.
4. The architect prepares a **Schematic Design** of the proposed project, which is a "graphic representation of the written program." The Schematic Design does not address building form or details of exterior development. The Schematic Design is simply a tentative floor plan that establishes functional relationships and overall project scope.
5. Schematic Design is submitted to the University through Facilities Planning, Office of State Construction, State Insurance Department, and other appropriate state agencies for review and approval to continue project development.
6. The architect prepares the Design Development Phase of the project. This is the phase of project development where all major decisions are made concerning building systems and exterior design.
7. During the Design Development Phase, informal meetings are held with all persons concerned about the development of the project, including Facilities Planning, Board of Trustees Buildings and Grounds

Committee or identified representatives, and Chancellor to solicit input on the proposed exterior building design. The purpose of these meetings is to develop consensus on building design. (Obviously all the details of the building design are not developed at this point in time.)

8. The proposed building design is submitted to the Chancellor's Buildings and Grounds Committee for review, comment, and approval.
9. The proposed building design is submitted to the Board of Trustees for review, comment, and approval.
10. The Design Development Phase is formally submitted to the University through Facilities Planning, State Construction, State Insurance, and other appropriate state agencies, for review and approval to continue project development.
11. The Architect prepares the **Construction Document Phase** of the project, which is then submitted to the University through Facilities Planning, State Construction Office, State Insurance Department, and other appropriate state agencies, for review and approval.
12. The University is subject to local zoning ordinances. (The Chapel Hill ordinance has the most impact, although portions of University lands are governed by Carrboro, Orange County, or Durham County ordinances, depending on locations.) All interface between the University and local jurisdictions is through Facilities Planning.

The location, scope and/or nature of the building determine the appropriate interaction with the Town of Chapel Hill:

- For buildings within OI-4 zoning district and included in the approved Development Plan:  
A Site Development Permit – a staff review process.
- For all new buildings and/or additions outside OI-4 or buildings within OI-4 and not included in the approved Development Plan:  
A zoning compliance permit - a staff review process.
- For certain buildings governed by special provisions of the ordinance:  
A special use permit - a public review process involving staff, planning board, town council, public hearings, etc. (a process that takes 6- 15 months from date of application.)
- For buildings in local historic district:  
A certificate of appropriateness from the Chapel Hill Historic District Commission.

Submission to the Town is made as soon as possible, but cannot be made until all necessary details are worked out. Normally occurs toward the end of the Construction Document Phase. Submittals are made by Facilities Planning

13. Approval of the final plans and specifications by the Board of the Trustees, if more than 12 months have lapsed since the design approval.
14. Approval of final plans and specifications (after corrections and responses to comments) by University through Facilities Planning, State Construction Office, State Insurance Department, and other appropriate state agencies.
15. Approval by Facilities Planning Committee to bid project pending final review of funding plan.

If funds are transferred to the University, then the project will be bid using the normal Capital Improvement Process. If however, the Foundation lets the contract, then Facilities Planning and Construction will assist in the process.

*The following was approved by the Chancellor on 10/09/00.*

## **Facilities Planning for the University of North Carolina at Chapel Hill**

### **I. Governance and Decision Making**

- Proposals regarding individual projects (site location, architect selection, physical appearance, etc.) are approved by the Board of Trustees upon the recommendation of the Chancellor.
- Within the University facilities planning will be derived from and support enrollment planning and academic/research program planning. This proposal assumes that a group coordinated by the Provost will have responsibility for enrollment planning. It also assumes that the Provost will have overall responsibility for the coordination of academic/research program planning.
- The purpose of facilities planning work within the University is to evaluate needs and priorities and to make recommendations to the Chancellor.

It is key in this work to ensure that the intellectual priorities of the University drive planning for physical facilities. The Executive Vice Chancellor and Provost is the central figure in the complex work of receiving proposals, arranging for comprehensive review, formulating recommendations to the Chancellor and communicating with various interested constituencies as plans are formulated.

### **II. Facilities Planning Activities and Organizations**

The various aspects of planning for the physical facilities of the University will be accomplished by the groups, as follows:

Facilities Planning Committee  
Facilities Working Group  
Chancellor's Buildings & Grounds Committee  
Capital Budgeting Committee

Each of these groups is described below.

In addition, through the coordination of the Executive Vice Chancellor and Provost, the University may engage one or more individuals outside the University to provide broad advice on facilities plans, adherence to design guidelines, preservation of historic buildings, and other matters related to the development of University facilities. Examples of individuals who might be engaged for this purpose include faculty members in schools of architecture.

#### **A. Facilities Planning Committee**

Responsibilities:

1. Set the strategic directions and priorities for facilities and infrastructure (major renovation, modernization, and new construction) for the University.
2. Provide the necessary integration among enrollment planning, academic and research program planning, and facilities planning.
3. Review and approve the plans for funding each building that is to be recommended to the Chancellor.

Any proposal for a new facility or major renovation or modernization with campus impact would be reviewed by the Facilities Planning Committee which might refer the proposal to the Facilities Working Group for evaluation and advice.



Membership:

Executive Vice Chancellor and Provost (Convener)  
Vice Chancellor for Finance and Administration or designee  
Vice Chancellor for Student Affairs or designee  
Vice Chancellor for Information Technology or designee  
Vice Chancellor for University Advancement or designee  
Vice Chancellor for Graduate Studies and Research or designee  
Vice Chancellor for Medical Affairs and CEO of the UNC Health Care System or designees  
Dean of the College of Arts & Sciences or designee  
Chair of the Chancellor's Buildings & Grounds Committee or designee

The Associate Vice Chancellor for Facilities Planning & Construction will provide staff liaison for this committee.

**B. Facilities Work Group**

Responsibilities:

1. Advise the Facilities Planning Committee on financing, timing, and feasibility of major facilities work.
2. Advise on the plan for Repairs and Renovations.
3. Monitor the status of facilities relative to enrollments and academic program needs and to make recommendations to the Facilities Planning Committee.

Membership:

Vice Chancellor for Finance and Administration (Chair)  
Associate Vice Chancellor for Facilities Planning & Construction or designee  
Associate Vice Chancellor for Campus Services or designee  
Associate Vice Chancellor for Finance or designee  
Associate Provost for Academic Initiatives or designee  
Associate Provost for Finance or designee  
Associate Vice Chancellor for Student Services or designee  
Associate Vice Chancellor for Information Technology Services or designee  
Associate Athletic Director or designee  
Executive Associate Dean for Finance & Administration, UNC School of Medicine, or designee  
President, UNC Hospitals or designee  
Director of Facilities Planning or designee

Members of the Facilities Planning staff will provide support to this committee.

**C. Chancellor's Buildings and Grounds Committee**

Responsibilities:

This committee is advisory to the Chancellor on a range of matters related to design and location of new buildings (see attached copy of the committee charter). Most of this committee's work consists of advice on selection of architects, location of buildings, and external appearance of proposed buildings, major additions, and renovations. However, item (4) under the list of duties reads, "any material change in the long-term use of any portion of the campus grounds". This elastic clause has occasionally led to discussion of a program or activity intended for a space or facility.

Membership:

Nine faculty members (3-year terms)  
One undergraduate and one graduate student; (1-year term)  
Employee Forum Representative

Staff members of Facilities Planning & Construction and Campus Services will provide support to this committee.

#### **D. Capital Budgeting Committee**

Responsibilities:

1. Review the funding plans for new projects or proposed changes to the original funding plans for previously approved projects on behalf of the Facilities Working Group.
2. Coordinate budget and accounting issues between Facilities Planning and Construction, Finance, and Development.
3. Reviews the funding status of active projects and provides pertinent information and recommendations on funding issues to the Facilities Working Group.

Membership:

Associate Vice Chancellor for Facilities Planning & Construction  
Associate Vice Chancellor for Finance  
Associate Vice Chancellor and Director of Information Technology for University Advancement  
Capital Program Controller  
Director of Accounting Services  
Facilities Planning & Construction Business Manager  
Director of Treasury Operations  
University Controller