

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM
BUSINESS PROCEDURES MANUAL

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Effective Date: April 15, 2010
Supersedes: 2.7 Effective November 15, 2002
Applies To: Colleges
Procedure Responsibility: Facilities Management

Capital Projects

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Section 2.7.1 - General Policy

Individual capital projects which involve the construction, demolition, renovation, or repair of KCTCS facilities shall be accomplished in strict accordance with all applicable state and federal ordinances, statutes, and regulations having jurisdiction. All projects estimated to cost \$40,000 or more and requiring the services of a professional consultant, either architectural or engineering, shall be administered through the Finance and Administration Cabinet by the KCTCS Office of Facilities Management.

Section 2.7.2 - Capital Planning

- A. Facility plans are an integral part of the KCTCS strategic planning process and include six-year capital improvement plans, biennial capital budget requests, and annual capital budgets. Facility planning is an essential part of the System's and each institution's comprehensive planning process and is dependent upon, and interacts with academic and financial planning. The primary purpose of facility planning is to identify logically and systematically the physical and financial resources required to support current and future KCTCS goals, objectives, and programs.
- B. The Office of Facilities Management is responsible for the coordination and preparation of facilities planning documents.

Section 2.7.3 - Facilities Plans

KCTCS will develop as part of strategic planning, a Six-Year Capital Development Plan, which will include:

1. Status reports on the capital construction program approved for the current biennium,
2. New capital construction projects, either new construction or renovation, estimated to cost \$600,000 or more,
3. Pools of construction projects each with a scope of less than \$600,000,
4. Leases of real property where the value of the facility being leased exceeds \$200,000, and
5. Prioritized facility plans to include land acquisitions and dispositions, proposed for each of the upcoming three biennia.

Section 2.7.4 - Capital Equipment Plans

Capital Equipment Plans are required for individual items of movable equipment estimated to cost \$200,000 or systems costing \$600,000 or more. These plans serve a purpose similar to facility plans in the KCTCS long-range planning process. Capital Equipment Plans shall be submitted by each college for inclusion in the KCTCS Six-Year Capital Improvement Plan, biennial capital budget requests, and annual capital budgets.

Section 2.7.5 - Prioritization of Capital Project Requests

College CEO shall prepare and submit to the KCTCS President prioritized proposals of capital construction projects and capital equipment items for inclusion in the KCTCS Six-Year Capital Improvement Plans and Biennial Capital Budget Requests as appropriate. These proposals should clearly identify the source of funds (including lease-purchase or similar financing arrangements) for each project and item of equipment. KCTCS Office of Facilities Management shall coordinate the submission of the prioritized list to the Office of the President. The President shall, with the advice and agreement of his Cabinet, establish final priorities. The Office of Facilities Management will then prepare the Capital Improvement Plan or Capital Budget Request for submission to the appropriate agencies.

Section 2.7.6 - Capital Project Administration

The KCTCS Office of Facilities Management, Capital Project Design Division is the coordinating agent for all KCTCS capital projects. Facilities Management staff will serve as liaisons between the colleges, the Finance and Administration Cabinet, the project consultants, and the contractors. All requests for changes in or additions to, the project should be directed to the Office of Facilities Management. Facilities Management will then pursue the requests with the President and the Finance and Administration Cabinet.

Section 2.7.7 - Furniture and Equipment Procedures for Capital Construction Projects

- A. This applies to all equipment and furnishings purchased through a Capital Project, including information technology infrastructure and equipment.
- B. Furniture
 - 1. All furnishings and fabrics that are bought for a new building or renovation at colleges should meet all applicable fire and safety codes. Products on price contracts that are utilized by KCTCS have vendors that meet these codes.
 - 2. The Facilities Management Project Manager will establish a team that will be made up of one representative from the college, appointed by the President, the business dean at the college, the project architect, a representative from the Purchasing Division, and the project manager. The team will be responsible for the procurement of furnishings from the beginning of the furniture selection process until a final punch list is completed. The team will develop a preliminary furnishings list from the Architectural plans and review price contract lists provided by Purchasing and catalogs if necessary to determine the product styles and quality levels they want to use which will fit within the established furnishings budget. After making that determination, they may wish to interview 3 – 5 vendors, or they can choose to use vendor(s) from the price contract list without going through the interview process. During the interviews, if conducted, the vendors should provide information on their products that they believe meet the quality and style levels selected and provide any specification materials as to construction, color, and finishes as requested. They may be asked any questions relative to delivery, installation, and follow-up service. From this process the team should select a vendor, or separate vendors when necessary for specific items.

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3. After selection, the vendor(s) is (are) to provide a detailed layout of the proposed design and a price quote for the entire project. This design and the price quote will be reviewed and approved by the team or modified if necessary. After approval by the team, a complete listing of furniture items (including quantity and price) to be purchased shall be compiled by the vendor and, along with a complete listing of instructional equipment to be purchased, forwarded to the project manager. The college business office will prepare and submit requisitions. PeopleSoft will automatically route requisitions with the project number (CAPXXXX) through "Workflow" to the Facilities Management Budget Manager (Vice President for items over \$100K) for final approval. The Budget Manager will approve only those items appearing on the approved equipment and furnishings list. Any changes to the design after approval must go back through the team and go to the Facilities Management Budget Manager.
4. Colleges should work closely with the project manager and the Purchasing Division as early as possible to assist with logistics (how requisition(s) need to be structured, delivery/install information), assist with vendor relations, provide information on products, Price Contracts, furniture manufacturers and design services.
5. The furnishings selection/procurement process should begin as early as possible, preferably immediately upon commencement of construction (but no later than when the roof deck is completed on the new building), to allow enough time for delivery/installation before the building opens for business. The selection and requisition process may take up to 8-12 weeks; furniture delivery lead-time is generally 4-8 weeks. During peak time of year (April – June) delivery can take longer.

C. Equipment

1. Instructional equipment lists shall be developed for each program area requiring specialized instructional equipment. Generally, the instructors for those program areas should be responsible for developing the equipment lists. The development of these equipment lists should begin shortly after the schematic design for the new facility is approved. The project consultant will require information on each item of equipment in order to properly locate the equipment item, and to adequately size the heating, ventilation and air conditioning, and electrical systems to accommodate the equipment.

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2. A comprehensive equipment list is to be developed listing the item, quantity, and price. This list shall be combined with the furnishing list and submitted to the project manager for transmission to the Facilities Management Budget Manager, who will approve all equipment and furnishings purchase requisitions for the project. Only those items included on the approved equipment list will be approved.
 3. Allow enough time for Purchasing to obtain bids/quotes on equipment that is not on a Price Contract. Generally 4-6 weeks. Delivery times generally take between 4-12 weeks.
- D. No items of equipment or furniture should be ordered using the procurement card, with the following exception:
1. Prior approval needs to be requested from Facilities Management to use the procurement card for a capital construction purchase. Approval will be granted if a vendor will not accept a purchase order or there are small items less than \$3,000 that need to be purchased in order for the building to be operational. Supplies cannot be bought on a capital construction account.
 2. After approval, the college can use their procurement card for the approved purchase and allow the transaction to be charged to their operating account. All purchases must be in accordance with KCTCS business procedures regarding the KCTCS Procurement Card Program.
 3. Send an email to Facilities Management stating the chart string to credit along with the BA8, procurement card statement and the invoice for documentation.
 4. Facilities Management will process a journal to credit the college operational account and charge the capital construction project for the approved procurement card transaction.
- E. Information Technology Infrastructure and Equipment

The cost of all information technology components is to be included in the furnishings and equipment list as two lump sums, one for materials and equipment and the other for labor.

END OF PROCEDURE