



Contract Review Policies, Processes, and Approval Thresholds



Board Authority

University Regulations rev. 11/04/24

3-7-106 Contracting Authority. No deed, instrument, or contract of any description, written or oral, purporting to be made on behalf of the University shall be valid as against the University unless executed by the Board of Trustees in accordance with the Bylaws or by the President of the University under authority delegated by the Board of Trustees. No other officer, employee, or agent of the University may enter into a contract on behalf of the University except as authorized in the Bylaws of the Board of Trustees or by a specific written delegation of authority by the Board of Trustees or the President of the University. All contracts must comply with the State Fiscal Rules and the University's internal contract procedures. A copy of the UNC contract procedures manual is available in all departments, divisions and Dean's Offices by University Counsel.



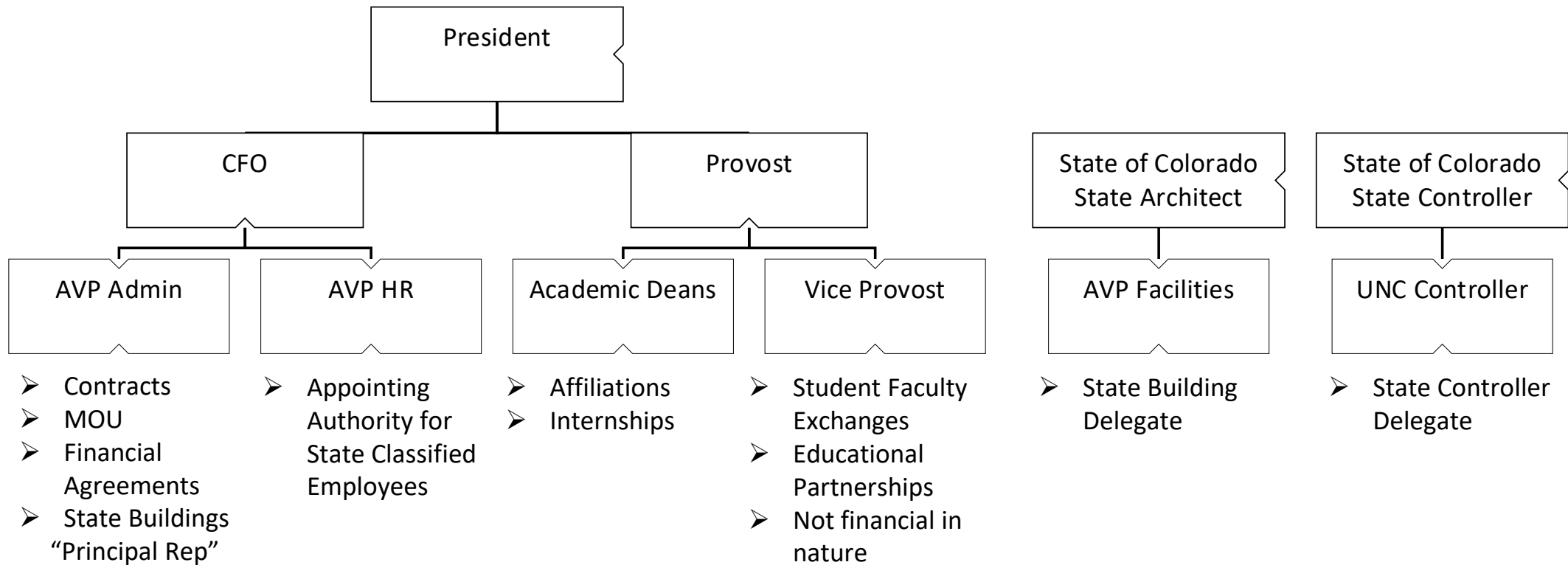
Executive Authority

Bylaws of the Board of Trustees rev. 11/11/22

Contracts, Instruments, etc. Subject to the exceptions below, the President of the University is authorized to approve and execute all contracts, instruments, leases, vouchers, warrants, certificates, or other official papers, undertaken or presented in the name of the Board, the University, or any unit or agency thereof, to the extent they are authorized by the Board, or are necessary and appropriate to the normal operation of the University and within budgeted expenditures. The President may delegate in writing, so much of said authority to administrators of the University as they deem warranted, provided such delegation is limited to such of the above items as are necessary and appropriate to the normal operation of, and within budgeted expenditures for, the administrative unit of the delegate, and provided further that the delegation of authority to approve contracts, leases, or instruments shall be limited to those which are in a form approved in advance by the State Attorney General, the University, or in the form of purchase orders authorized by the Fiscal Rules of the State of Colorado. The authority of the President may provisionally be delegated, in whole or in part, to the person authorized to act on behalf of the President during their absence or incapacity.



Examples of Delegations





Executive Authority

Bylaws of the Board of Trustees rev. 11/11/22

The President is not authorized to approve and execute without express prior approval of the Board any documents that:

- A. Acquire, dispose of, or hypothecate interests in real property held by the Board of Trustees or any of its predecessors for the use or benefit of the University or any of its predecessors other than the acquisition of an interest less than fee simple for less than one fiscal year or the acquisition of residential property in an amount less than \$200,000;
- B. Involve the expenditure of \$300,000 or more for a purpose not previously in its approval of the University's annual budget;
- C. Involve personnel matters reserved to the Board under Section 9 of these Bylaws;
- D. Involve the settlement of lawsuits or other civil claims pending against the Board, the University, or any officers, employees, or agents of the Board in their official capacities requiring an expenditure of more than \$200,000. The President shall report all such settlements to the Board.
- E. Commit to expenditures or other financial obligations beyond one fiscal year. Correspondence and other documents requiring execution by the Board shall be answered by the Chairperson or the Secretary.



Approval Thresholds

Fiscal Rules:

- \$9,999 or less
- \$10,000 through \$49,999
- \$50,000 greater
- Sealed Bids & Competitive Proposals
- Request for Proposals

General Counsel Review

Where does the Board engage?

- Multiyear Contracts
- Expenditures not approved in Fiscal Year Budget
- Lease-Purchase Financing Agreements
- Sale of Real Property



Example: COM Building

The annual UNC Budget includes all capital projects, regardless of funding source, for approval by the BOT.

Total Capital Projects Before COM COP	\$ 10,898,856
State COM Certificates of Participation (COP)	
College of Medicine Construction	127,500,000
Subtotal COM COP	127,500,000
Total Active Capital Projects	\$138,398,856

CAPITAL BUDGET

Table 24 shows the recommended Capital Budget for FY25 which includes \$4.1 million (original budget) for commitments to new institutionally funded capital projects. The expected expenditures for FY25 include \$1.4 million for projects approved in prior fiscal years that are still on-going and \$2.7 million to be spent on new projects.

The capital budget is funded through capital reserves which are partially funded from student capital fees.

Table 24. Capital Budget

Active Capital Projects	Original Budget	Expended in Prior Year(s) Forecast	FY25 Budgeted Expenditures	Out Year(s) Expenditure Forecast
UNC Funded Projects				
FY25 projects with budgets less than \$200,000	\$ 2,337,279	\$ 25,000	\$ 1,401,695	\$ 910,584
Holmes DHW heater replacement	200,000	-	175,000	25,000
Replace Crabbe steam producer	215,000	-	190,000	25,000
Butler/Nottingham Daktronics Control Unit Replace	215,000	-	190,000	25,000
Wireless First matching funds	219,122	-	-	219,122
Replace Brown Fire Alarm panel & devices	220,000	-	220,000	-
Butler-Hancock East Bleacher Modification	240,000	-	215,000	25,000
Irrigation in Michener/Butler-Hancock area	280,000	-	200,000	80,000
Capital Equipment funds	146,251	-	121,251	25,000
Projects approved/initiated in prior year			1,432,896	256,062
Subtotal of UNC Funded Projects	4,072,652	25,000	4,145,842	1,590,768
Foundation Funded Projects				
Kepner Market	50,080	-	50,080	-
Kepner north entry plaza & stair improvement	40,000	-	40,000	-
Basic Needs Center approved in prior year			260,000	-
COM Preconstruction approved in prior year			40,000	-
Subtotal of Foundation Funded Projects	90,080	-	390,080	-
Debt Funded Projects				
Arlington roof repair approved in prior year			2,158,000	-
Subtotal Debt Funded Projects	-	-	2,158,000	-
State Capital Appropriations				
Gray Emergency Generator replacement	487,953	-	450,000	37,953
Michener Library roof replacement	1,122,845	-	322,845	800,000
Wireless First	5,125,326	-	2,625,326	2,500,000
Gray Hall Mechanical Sys approved in prior year			4,199,256	200,000
Gunter Chiller Replacement approved in prior year			1,058,686	100,000
Ross Chiller Replacement approved in prior year			1,590,718	100,000
Michener Library Roof Repl approved in prior year			959,161	100,000
ERP Modernization approved in prior year			320,290	-
Subtotal State Capital Appropriations	6,736,124	-	11,526,282	3,837,953
Total Capital Projects Before COM COP	\$ 10,898,856	\$ 25,000	\$ 18,220,204	\$ 5,428,721
State COM Certificates of Participation (COP)				
College of Medicine Construction	127,500,000	-	34,700,000	92,800,000
Subtotal COM COP	127,500,000	-	34,700,000	92,800,000
Total Active Capital Projects	\$138,398,856	\$ 25,000	\$ 52,920,204	\$ 98,228,721

Note: Although forecasted expenditures by fiscal year are provided for context, new projects are fully funded at the beginning of each fiscal year.



COM Design/Build Contract Timeline

Prepare RFP Document	3/01/24 to 3/27/24
Advertisement	3/27/24 to 4/10/24
Mandatory Pre-Submittal Meeting	4/11/24
Questions Due	4/17/24
Addenda Response Issued	4/19/24
Submittals Due	4/26/24
Submittal Scoring	5/22/24
Interview Short List Announced	5/23/24
Interviews	6/07/24 to 6/13/24
Selection Announced	6/24/24
Contract Approval	7/31/24

Capital Construction is governed by the:

- UNC Procurement Rules
- Office of the State Architect



Contractor Selection

The selection of the COM Design Build Team was a 2-step process based on their Qualifications and their Fee Proposal as outlined below:

- PRELIMINARY
 - Publish RFP with **Minimum Qualifications** – Must meet these minimum requirements in order to pursue the project.
 - “**Pre-Submittal Meeting**” - Mandatory attendance in order to continue to pursue the project (i.e. submit qualifications)
- STEP 1
 - Submission of **Qualifications**
 - Team of UNC staff (minimum of 3) review and score
 - Short list and schedule Step 2 process with minimum of 3 firms. For COM we moved (4) firms into Step 2 as that was the natural separation between the firms from Step 1 scoring.
- STEP 2
 - In Person **Interview** and submission of **Cost Proposal Form**
 - Team of UNC staff (minimum of 3) participate in interview and score
 - Interview scoring occurs prior to opening the Cost Proposal
 - Step 1 submittal scores have no direct impact on Step 2 interview scores
 - Enter Interview Scores on “Submittal and Oral Interview Ranking Matrix”
 - Interview Scores (Qualifications Based) account for 70% of the Step 2 Score
 - Open Cost Proposal envelope
 - Evaluate detailed responses to ensure proposals are equivalent. Request clarifications as needed.
 - NOTE these are not “negotiations”, just “clarifications”.
 - Calculate and enter “Cost Score” on Matrix
 - Cost Scores account for 30% of the Step 2 Score
 - Combine the Interview (Qualifications) Score and the Cost Proposal Score to determine the selected firm.



UNC Large Construction Contracts

Over \$5 Million Contract Value - past 20 years

			Contract Value in Millions	
<u>Project</u>	<u>Procurement</u>	<u>Contract Year</u>	<u>Actual</u>	<u>Inflated *</u>
Sports & Recreation	Hard Bid	2006	\$13	\$30
WC Housing (North & South)	Design Build	2006	\$55	\$126
Turner Renovation	CM / GC	2008	\$6	\$13
Butler Hancock Reno & Addition	CM / GC	2008	\$11	\$24
Campus Commons	CM / GC	2015	\$57	\$92
Energy Performance Contract	ESCO RFQ	2016	\$10	\$15
Arlington Exterior Issues	CM / GC	2023	\$5	\$5
College of Medicine	Design Build	2024	\$112	\$114
Gray Hall - Capital Renewal	CM / GC	2024	\$7	\$7
* Mortenson - Construction Cost Index - Denver - Q2 2009 thru Q2 2024				