415. **Planning and Management of Facilities and Other Capital Assets**

A. **Overview**

The Board is responsible for the overall planning and management of the physical facilities on the campuses of the University of Alabama System. The Board is committed to building, preserving, and enhancing campus physical facilities in order to provide an efficient, functional, and pleasant environment for fulfilling established roles and missions. The Board is further committed to developing campuses that reflect: efficient and effective land use; a thoughtful and sensitive integration of buildings, open space, landscaping, and signage; orderly utility and service networks; and safe and accessible vehicular/pedestrian systems. Finally, the Board is committed to accomplishing these activities in a manner which ensures that public funds are expended in the most cost-effective manner and funds received from these transactions are maximized.

1. **Physical Properties Committee Responsibilities**

The Committee is responsible for review and recommendations to the Board, actions associated with campus planning, project planning, design and construction and preservation of campus capital assets including, but not limited to:

   a. Review and approval of Campus Master Plans and associated architectural design standards for each campus
   
   b. Methodologies for selecting consulting architects, engineers, construction managers and program managers
   
   c. The means and methods of pre-qualifying and selecting general contractors, construction managers, and design-builders to oversee construction on each campus
   
   d. Project and construction budget controls and monitoring through the Chancellor’s office
   
   e. Review of the required ongoing evaluations by campus officials of architects/engineers, construction managers, and general contractors who are awarded contracts on each campus
   
   f. Review of criteria established by the Chancellor for annual funding commitments to reduce deferred maintenance liabilities on each campus
   
   g. Management of campus real estate resources

2. **Staff Support**

The Vice Chancellor for Finance and Administration and the Assistant Vice Chancellor for Construction Management shall provide staff support in conjunction with the implementation of Board Rule 415.
B. Purpose

The purpose of this Rule is to set forth policies, practices, and associated responsibilities for the planning and management of the System's capital assets. The Rule specifically provides for:

1. Campus master planning

2. Systematic planning for capital projects, purchase/lease of equipment, and real property acquisition/disposition

3. The establishment of an orderly process for the accomplishment of major capital projects

4. The selection and appointment of architects, engineers, construction managers, program managers, and other design and construction entities with primary contractual responsibilities for project delivery

5. The delegation of responsibility for the management of existing capital assets

C. Capital Asset Planning and Project Development

The primary purpose of facilities planning is to determine and prioritize the resources required to support campus goals and objectives. Effective facilities planning is dependent upon and interacts with academic and financial planning. Within the University of Alabama System, the planning for capital assets shall include the following:

1. Campus Master Plan

   A comprehensive Master Plan shall be developed and maintained for each campus. Each Master Plan shall define a system for land acquisition and utilization, building/site densities, architectural design standards, choice of building materials, parking and traffic studies to support pedestrian/vehicular circulation, utility systems, campus services, landscaping, and signage, all consistent with campus long-range goals and project development.

   a. Each campus shall have a duly appointed Campus Master Planning Committee with the responsibility for reviewing and recommending approval to the President of all additions and changes to the respective physical facilities of each campus.

   b. Campus Master Plans shall be reviewed formally at least every five years and updated as needed on schedules established by the Chancellor’s office, and they shall be submitted to the Board for review and approval. [Annotation No. 1]

   c. Amendments to approved Campus Master Plans shall be prepared when significant physical changes are proposed which include new projects, major changes in campus pedestrian and vehicular circulation, proposed changes in architectural design standards, and other changes which will substantially impact the exterior appearance of the campus. These amendments shall be prepared and submitted to the Board for approval. [Annotation No. 2]
2. **Five-Year Facilities Development Plan**

Consistent with the Campus Master Plan, each campus shall prepare annually for presentation at the September Board meeting a Facilities Development Plan projecting, for a minimum five-year time period, space requirements to support campus academic and administrative programs. Information required in this Plan shall include a description of the project, estimated date(s) for development, estimated cost and source of funds, and the priority for each project based on documented academic or facility needs. The format for this report shall be established by the Chancellor’s office. Copies of the Facilities Development Plan shall be presented to the Academic Affairs and Planning Committee and the Physical Properties Committee of the Board for review, comment, and information purposes. This program shall serve as a basis for the Annual Capital Development Plan. [Annotation No. 3]

3. **Annual Capital Development Plan**

A Capital Development Plan shall be prepared by each campus annually and presented to the Board at the September meeting. The Plan shall list all capital projects which meet the criteria established in Section C.5.a. of this Board Rule and which are anticipated to be submitted to the Board for action or information during the fiscal year which begins October 1. These projects should be presented in the context of the campus’ annual planning and budgeting process, and each campus should outline how these projects relate to and enhance the University’s programs. Additional information should include: a brief description of the project’s scope; preliminary cost estimates for construction/acquisition; projected annual cost for operations and maintenance of the planned space; and anticipated funding sources for the initial capital outlay and the ongoing operating costs, to be reported on forms to be developed by the Vice Chancellor for Finance and Administration and the Assistant Vice Chancellor for Construction Management. The Annual Capital Development Plan will be accompanied by a long-term capital financing report showing current long-term debt and additional liabilities (long-term debt requirements) for proposed new projects. A report showing the current status of deferred maintenance and facilities renewal liabilities on campus shall also be presented.

The Annual Capital Development Plan shall be subdivided into project categories including, but not limited to, education and general, real estate, auxiliary, infrastructure, equipment and athletics. The format for this report shall be established by the Chancellor’s office. [Annotation No. 4]

The Annual Capital Development Plan shall be submitted concurrently to the Academic Affairs and Planning Committee, the Physical Properties Committee, and the Finance Committee. The Academic Affairs and Planning Committee will review proposed projects to determine if they are consistent with campus mission statements and long-term academic program planning needs, and whether the proposed projects duplicate existing facilities. The Physical Properties Committee will review proposed projects in terms of: general conformance with the Campus Master Plan; review of project scope, campus priority and impact on reducing deferred maintenance/facility renewal liabilities; the appropriateness of proposed construction costs (per building square foot); and projected annual and five-year operations and maintenance costs for the planned space. The Finance Committee will review the long-term debt structure of each campus in conjunction with the proposed Annual Capital Development Plan and determine if the funding
proposed for projects in the Annual Capital Development Plan is consistent with prudent financial planning and within the financial capabilities of each campus.

4. **Annual Capital Request to the Legislature**

The Annual Capital Request to the Legislature shall be submitted according to the Guidelines issued by the Chancellor for annual appropriations requests to the Legislature. The request shall be reviewed by the Vice Chancellor for Finance and Administration and the Assistant Vice Chancellor for Construction Management prior to inclusion on the Finance Committee agenda for consideration. [Annotation No. 6]

5. **Guidelines for Project Development and Implementation**

   a. Each capital project that involves the construction, demolition, or renovation of University facilities which has an estimated Total Project Cost equal to or greater than $1,000,000 shall be planned, designed, and constructed in accordance with Attachment A regardless of the funding source. In addition, for auxiliary projects, a business plan shall be prepared in the format outlined in Attachment G. For those capital projects associated with the Hospital, the review process shall include a Business Plan in the format outlined in Attachment F. All other capital projects shall require business plans. [Annotation No. 6a]

   b. Generally, capital projects with an estimated Total Project Cost of less than $1,000,000 may be undertaken and associated contracts executed without Board approval. However, all capital projects (regardless of cost) which substantially impact the visual appearance of the campus(es) or that involve historically significant or otherwise notable structures, as determined by the Chancellor or designee, are to be presented to the Board for review and approval. [Annotation No. 7]

   c. Purchases or leases of individual items of equipment equal to $750,000 or more shall be submitted to the Board for approval in accordance with Attachment C. Related equipment purchases or leases shall not be subdivided into separate actions or purchase orders of less than $750,000 to avoid required Board consideration. [Annotation No. 8]

   d. Equipment purchases or leases included in Capital Construction Projects which have Board approval shall not require separate Board action. Also, purchases or leases of equipment which are funded entirely by grant or contract shall not require Board approval if both of the following criteria are met: [Annotation No. 9 and 10]

      1. The capital expenditure or value of the leased equipment is less than $1 million; and

      2. At least 75% of the operational cost associated with the equipment will be paid by the grant or contract over the estimated useful life of the asset.
6. **Guidelines for Real Estate Transactions**

   a. All proposed real property acquisitions or dispositions shall be submitted to the Board for approval in accordance with Attachment D.

      1. An Annual Timber Management Plan shall be presented to the Board for review at the June meeting subject to approval at the September meeting. The Plan shall provide a proposed harvest schedule for the upcoming year. Sales authorized through the Timber Management Plan shall be conducted in accordance with Attachment D. [Annotation No. 10a]

      2. All leases of University-owned real property shall be submitted to the Board for approval in accordance with Attachment E. Leases of off-campus property (where the University is the lessee) shall follow the process outlined in Attachment E1.

      3. The Board will approve by resolution for each campus, and for the System Office, an agent who will function as designated in Attachments D, E, and E1. [Annotation No. 11]

D. **Facilities Management**

   The management of campus facilities includes the administration, operation, maintenance, and repair of existing facilities. Responsibility for these activities is delegated to each campus President.

   Campuses will present Annual Reports to the Board on deferred maintenance/facilities renewal liabilities and building operations and maintenance (O&M costs). The Chancellor’s office shall establish thresholds for funding commitments on an annual basis to reduce the level of deferred maintenance/facilities renewal liabilities. These reductions shall be made either through individual project(s) specifically dedicated to the removal of such liabilities, or through inclusion in major renovation projects or in conjunction with proposed building additions.