

**Tennessee Technological University
Policy No. 581**



Effective Date: July 1, 2018

Policy No.: 581
Policy Name: **In-House Construction / Maintenance Projects including Gift-In-Place Projects.**

I. Purpose

The purpose of this policy is to ensure that in-house construction/maintenance and gift-in-place projects are in compliance with applicable codes, rules, and State Building Commission (SBC) policy.

II. Review

This policy will be reviewed every three years or whenever circumstances require review, whichever is earlier, by the Director of Capital Projects and Planning in consultation with the Vice President for Planning and Finance, with recommendation for revision presented to the Administrative Council and University Assembly. Revisions related to the Board's authority can only be made by the Board.

III. Scope

The following policy and related procedures shall govern Tennessee Tech's locally-funded construction, renovation, and maintenance projects valued at less than \$100,000, threshold projects (\$100,000-500,000), and gift-in-place projects. Locally-funded, in-house projects that meet the requirements of an SBC project must comply with SBC policy. This policy does not include projects greater than \$500,000 or projects funded with state appropriations.

IV. Policy

- A. The purpose of this policy is to ensure all in-house projects comply with applicable codes. Project reviews are required prior to origination to determine what codes are applicable, the estimated cost of the project, required sealed (completed/stamped by architect or engineer) documents or plans, and what labor force is utilized. Prior to final payment and completion of the project, a review of the project for code compliance, completeness of defined work, workmanship, and expenditures of the total project will be required. The review team includes the user, project manager, contractor(s), and state inspectors as appropriate.
- B. Tennessee Tech has developed the Project Request Form for the initiation of in-house construction/maintenance projects. This form should be completed and submitted to the Capital Projects and Planning office when requesting renovation or construction activity. The form is on-line at the Capital Projects and Planning website:
www.tntech.edu/capitalprojects

1. The initiating department shall complete the Project Request Form. The scope of the work and the desired final product shall be documented.
2. Signatures from the person desiring the work and the department chair shall be executed on the document, along with contact information. If a project cost is greater than \$5,000 the signature of the responsible department's Vice President is required.
3. The completed form shall then be sent to the Director of CPP.
4. Upon receipt in CPP, the initial review takes place for compliance with codes, ADA guidelines, policies, and procedures. If there are any issues with these requirements the request will be returned to the requestor for further review and discussion.
5. Upon completion of the initial review, CPP will route the request to the Associate Vice President of Facilities Services for review and approval, and return the request to CPP.
6. Capital Projects and Planning will conduct a final review of the request for appropriate action which may include:
 - a. Approve of the project request and forward to a project manager for initiation of the project estimate.
 - b. Route the request to the Director of Capital Projects and Planning for further action in developing the request into a capital project.
 - c. Reject the request for appropriate reasons and return to the originating department with an explanation.
7. A project request will be required for work involving the alteration of exits, fire prevention and sprinkler head changes, accessibility to and egress from building, or other applicable code encroachment.
8. A project request will be required for work involving, but not limited to, renovations and construction projects when total expenditures are less than \$100,000. Receipt of the completed Project Request Form in Capital Projects and Planning starts the process.
9. Review of the project request will be made by the Director of Capital Projects, Associate Vice President of Facilities and Business Services, Architect Coordinator, or project manager as appropriate.

10. Each request should have sufficient information describing the type and scope of work required. The appropriate person as listed in B.9 will contact the initiating department to arrange a meeting for on-site review, if necessary.
11. Receipt of the Project Request Form will initiate the detailed review. The review will first determine if the project requires a review by a contracted consultant or review by the State Fire Marshal's Office. Should the project not require these reviews, a Project Manager will be assigned to handle the job in-house.
12. The project estimate shall include the cost of materials, contract labor, any outside consultant costs, required permits, and a construction contingency. Construction contingencies will range from 0 – 15%, determined by the project manager. Construction contingencies for new construction are typically 5%, and renovations are typically 10%. Special circumstances are required for contingencies greater than 10%, and in no case will contingencies exceed 15%.
13. The project estimate will contain all the information in B.12. The project requestor is required to provide the index numbers funding the project. The total amount of the project estimate must be transferred to an account set up specifically for the project before commencement of any work. All signatures as required on the project estimate must be executed.

C. State of Tennessee Requirements for In-House Projects

1. The following State of Tennessee Rules and Regulations may impact the cost and timeliness or completion of any in-house project and will be noted on the project estimate.
 - a. Review and approval by the State Fire Marshal's Office (SFMO) is required for projects which involve a change of occupancy, an alteration of an exit arrangement, fire resistive assemblies, construction type (per code), and the installation of fire suppression or detection systems or fuel-fired equipment. There is no minimum value set for the SFMO required review. The SFMO requirements apply to both owned and leased facilities. Structural analysis may be required on existing buildings.
 - b. Documents sealed by the regional architect/engineer may be required for projects involving modifications or additions to any building system (structural, mechanical, electrical, plumbing, sprinkler, roof) or the project itself requires SFMO approval. Projects exceeding \$25,000 may require architect/engineer

sealed drawings.

- c. A contract that is \$25,000 or more will require a licensed contractor. The licensing requirement applies to furniture that is connected to the building or the building's electrical system.
- d. A single project over \$100,000 is required to be submitted to the SBC (1) for approval of the project and (2) assignment of an architect or engineer.
- e. A combination of projects within a six (6) month period within a single building that exceeds \$100,000 will require SBC approval. This requirement does not apply to routine non-major maintenance repairs and replacements.
- f. A project that includes the installation of additional circuits to a building's electrical service will require an electrical permit and rough-in and final inspections of the State Electrical Inspector. The costs of the permit and inspections are part of the total project cost.

D. Coordination of Work

1. Tennessee Tech may perform as a general contractor without a contractor's license; however, subcontractors will need to be appropriately licensed.
2. For projects whose total cost is less than \$100,000, or where a combination of projects within a six month period within a single building does not exceed \$100,000, the University will serve as general contractor and coordinate the renovation/construction efforts of subcontractors performing work on the project.
3. All work performed on University projects shall be monitored by the appropriate University Project Manager.
4. In cases where existing but unseen conditions are revealed that would affect the overall project cost, the Project Manager shall prepare a change order to address the scope change and any additional costs required.
5. Any change order must have the approval of the initiating department in writing prior to continuing work that is impacted by the unforeseen conditions. The Project Manager shall submit the Change Order Form to the initiating department for approval.
6. Should additional work requests be made by the initiating department, a change order should be developed and processed, even if additional costs are not

incurred.

7. Any additional work authorized by a change order executed by all parties shall bind the initiating department to immediate transfer of the additional funding necessary to Capital Projects and Planning prior to the work performed.

E. Contractor Invoices and Payments

1. Once a project has been approved and the Project Estimate Form fully executed, the subcontractors shall have the right and responsibility to obtain materials necessary for completing the project.
2. Subcontractors deemed necessary by the Project Manager shall bill Tennessee Tech for all identified costs to the project.
3. At the conclusion of the project, the user, subcontractors, and University Project Manager shall review the work for code compliance, workmanship, and any unfinished items. A punch list should be developed and agreed to by all parties to finish the job.
4. Once the project is completed, final invoicing must be submitted to Tennessee Tech within 30 calendar days of final work and completion of any punch list items.
 - a. To accompany the final invoice, a Project Completion Form shall be generated that all work is complete and acceptable. Representatives of the initiating department and the Project Manager shall all sign and date the document. This document shall then be retained by Capital Projects and Planning as part of the overall project documentation files.
 - b. If the total cost of the project is less than the estimate, any balance of funds, excluding those required for rounding, will be transferred back to the original account of the initiating department.

F. Capital Projects Valued \$100,000-\$500,000

1. The authority of the SBC to approve Capital Projects with a Total Project Cost of \$100,000 up to \$500,000 is delegated jointly to the State Architect (SA) and the Commissioner of Finance and Administration (F&A) so long as all of the following conditions are met:
 - a. If the determination of the Tennessee Historical Commission (THC) is required by statute, the THC has determined that the Capital Project will not adversely impact a historic structure;

- b. The Capital Project will not be funded in any part by bond proceeds or residual proceeds from bond funding; and
- c. The designer and contractor for the Capital Project were procured through a process approved by the SBC for projects of this value; and
- d. The Capital Project is not being provided by the Tennessee Tech Foundation.

If the Capital Project is the construction or erection of a new building or structure or for the demolition of a building or structure, then the approval is not effective until the Capital Project has been reported to the SBC or ESC. No contracts may be fully executed and no work may commence prior to such reporting.

- 2. The Director of Capital Projects and Planning will determine if a project is eligible to be classified as a Capital Project as defined in F.1., the appropriate delivery method to be used, and if the project needs a designer. The standard design process will be used, but in some cases a regional designer may be able to help.
 - 3. The Director of Capital Projects and Planning will submit an SBC-1 form clearly stating the scope and source of funding to the OSA for each project greater than \$100,000 but less than or equal to \$500,000.
 - 4. Funding cannot be from bond proceeds or residual funds. It must be with cash sources within the current fiscal year.
 - 5. Any revisions which cause the original total project cost amount to exceed the \$500,000 threshold require SBC approval.
 - 6. Changes to the SBC-1 form that affect scope, budget, and sources of funds, but such that the total project cost still stays under the threshold, shall require additional reporting to the SBC and may be referred to the full SBC depending on the nature of the change.
 - 7. Once approved by the OSA and F&A, the project will be reported by the OSA at the next SBC meeting.
- F. Gift-In-Place Projects are projects that are to be executed on campus by a third party donor. All Gift-In-Place projects require SBC approval. In addition, all projects including the items enumerated below must be submitted to the SA and approved prior to construction. The Tennessee Tech Designers Manual incorporates various SBC requirements, and the Contracting Requirements and Specifications should be used when appropriate. The following items need to be completed for each Gift-In-Place project:
- 1. The Director of Capital Projects and Planning will complete a Gift in Place Justification Form and submit to the OSA/SBC.

2. Final plans and specifications approved by the OSA in accordance with SBC Policy and Procedures relating to project reviews.
 3. Approval letters from the State Fire Marshal's Office, local codes officials, and all other applicable authorities to show compliance with all applicable federal, state, and local laws and requirements.
 4. SBC standard contract bond form, property insurance, liability insurance, and Builders Risk insurance as defined in the Gift in Place Justification Form identified in F.1 above.
 5. Statement to the OSA for acknowledgement that full funding is in place before commencement of construction or installation.
- G. The Director of Capital Projects and Planning is responsible for the procedure determining which projects will require a code review, submittal to the State Fire Marshall as required by rule, seal of a licensed professional and a licensed contractor when required by state law, and a process to obtain a building permit and subsequent inspections as appropriate. Each project shall include a sign-off process for that project. Tennessee Tech may employ any combination of responsible parties as appropriate:
1. In-house code authority
 2. In-house architect or engineer
 3. Code consultant
 4. Architect or engineer consultant

V. Interpretation

The Director of Capital Projects and Planning or his/her designee has the final authority to interpret the terms of this policy.

VI. Citation of Authority for Policy

State Building Commission of Tennessee (SBC) By-Laws, Policy and Procedures Item 2

Approved by:

Administrative Council: February 21, 2018

University Assembly: April 18, 2018

Board of Trustees: March 22, 2018