

Policy Number: 2022-01  
Effective Date: 03/04/2022

## Policy

### **I. Capital Project Initiation:**

1. Submit Project Request form via LU Facilities website.
2. Establish preliminary Construction Cost and Total Project Cost budgets with confirmation by LU Facilities. This will typically be completed as part of a predesign study, but preliminary budgets may be determined based on size, building type, etc. prior to completion of a study and as part of approval process for predesign studies.
3. Establish operational and life-cycle estimates for the facility, including non-facilities costs such as LTS.
4. Establish funding source(s) for the project - Operational, Debt, Philanthropic, Departmental. Projects may be a combination but the percentage and specific contributing unit (Department or University) of each source should be determined prior to the start of the project.
5. Determine responsibility for cost overruns and unspent contingency or project costs.
6. Project sponsor must establish a project Executive Committee for confirmation/ approval by the Capital Projects Group.
7. Facilities and Exec Committee recommend Architect/Engineering (A/E) team for project to CPG for approval.
8. Facilities and Exec Committee recommend Construction Manager (CM) for project to CPG for approval.

## II. Project Request Approval Matrix

Cost Range	Predesign <sup>1</sup>	Design	Construction
0-\$99,000	Director / Chair	Director / Chair	Director / Chair
\$100,000-\$499,000	AVP / Dean	AVP / Dean	AVP / Dean
\$500,000 - \$4,999,000	VPFA / SVP Provost	VPFA / SVP Provost	VPFA / SVP Provost
\$5,000,000 and greater	Capital Projects Group (CPG)	CPG >Board of Trustees <sup>2</sup>	CPG > Board of Trustees <sup>2</sup>

<sup>1</sup> Any project submitted for predesign will be evaluated on the basis of the cost of the study, as well as the potential total cost of the anticipated project (including design and construction). Any pre-design study that could become a major capital project (over \$5M) must be approved by the Capital Projects Group in order to move ahead, even if the cost of the study itself is at a lower cost range.

<sup>2</sup> BoT Process includes recommendations by CPO and Finance Committees for Board Approval.

## III. Philanthropic Funded Projects

Phase	*Fundraising Milestones		Notes
	Pledged	Cash	
Pre-design	-	-	Funded by reserves or gifts. Funding source to be approved prior to study. Use of gift funds for pre-design must be approved by CPG regardless of cost.
Design - Schematic Design (SD)	15%	2.5%	CPG approval required prior to start of SD Board approval required for projects >\$5M
Design - Design Development (DD)- Construction Documents (CD) and Construction Administration (CA)	50%	25%	CPG Approval Required
Construction	75%	50%	CPG approval required Board approval required for projects >\$5M <i>(Note: 75% is our current standard; this could go higher for future projects)</i>

\*Fundraising milestone percentages are based on the amount of the Total Project Cost that is anticipated to be funded by philanthropic gifts. Total project cost includes construction cost and soft costs.