

## MINOR CAPITAL IMPROVEMENTS

### I. REFERENCES AND RELATED POLICIES

- A. Budget Act, Section 2.0
- B. UCSD Policy and Procedure Manual (PPM)
  - 530-9 Renovations and Alterations
  - 516-7.2 Environment, Health and Safety
- C. Infopath
  - Capital Planning and Budgeting Home Page
  - Environment, Health and Safety Home Page

### II. DEFINITION

Minor capital improvements are defined as projects with costs between \$35,000 and \$250,000 that add new space or alter the programmed design or function of space or building systems, including related fixed equipment, and utility and site development improvements.

Minor capital improvement projects are funded from State Capital Outlay funds, Hospital Reserves for Improvements or from other non-State fund sources. All minor capital improvement projects, regardless of fund source, require campus review and approval.

### III. POLICY

#### A. Universitywide Minor Capital Improvement (MCI) Program (State-funded)

The Office of the Associate Vice-President and Director of the Budget in the University of California Office of the President (UCOP) has the overall responsibility for the Universitywide State-funded Minor Capital Improvement (MCI) Program, including coordination and direct negotiation with the State Department of Finance for required funding. This Program is offered as funding allows.

Projects that include repair or maintenance of campus buildings, structures, facilities, or related existing equipment do not qualify as minor capital improvements. Projects of this nature are more appropriately included in the list of maintenance items as part of the campus support budget, or as items to be repaired or replaced using Deferred Maintenance funds.

Consistent with legislative directives, projects cannot be submitted for work specifically deleted from major capital projects, or for phasing of projects costing in excess of \$250,000. First priority is to be given to critical life-safety projects (projects that bring facilities into compliance with seismic, fire and life safety code requirements).

No funds appropriated by the State Budget Act may be used by The Regents of the University of California to reclassify instructional capacity space, administrative space, library space, or faculty offices to other uses unless such a proposed reclassification is first approved by the Department of Finance.

State-funded projects are normally limited to one project-per building-per year. However, two unrelated projects in the same building in any given year may be combined if their combined cost is kept below the \$250,000 limit. The limitation on number of projects-per building-per year does not apply to large medical structures.

The Associate Vice-President and Director of the Budget annually requests that each campus submit four copies of a priority list and supporting project descriptions, including Type of Room change forms, and Environmental Impact Classification forms (EIC-1), for inclusion in the proposed Universitywide MCI Program for the target budget year. Capital Planning and Budgeting (CP&B) coordinates the preparation of necessary documents.

In addition to the above priority list, each campus is to submit a list of all remaining unfunded qualified minor capital improvements in order to keep the Associate Vice-President and Director of the Budget apprised of the magnitude of the unmet need. This list is submitted to the Legislature in support of the University's annual request for State Capital Outlay MCI funds.

Annually, UCOP shall submit to the State Department of Finance for approval a Universitywide priority listing of the projects proposed for funding. Changes to the approved priority listing may be authorized by UCOP.

After State Minor Capital Improvement funds have been received, they must be expended for the intended approved project(s) unless the Office of the Associate Vice-President and Director of the Budget authorizes otherwise. The Chancellor or his/her designee may authorize fund transfers between approved projects as long as any transfer does not increase a project cost above \$250,000. Changes in scope of State-funded projects, and additions of new projects to the approved list, require Office of the Associate Vice-President and Director of the Budget approval.

#### **B. Campus Non-State MCI Program**

Chancellors are authorized to approve minor capital improvement projects costing no more than \$250,000 that are not included in the State-funded MCI Program. Projects approved under this authority must conform to the campus-approved academic plan, Master Plan and Long Range Development Plan (LRDP). These projects may not involve substantial program modifications to a project previously approved by The Regents. If new space is created or there are significant modification to the external appearance of buildings, proposals must be reviewed for environmental impact.

Qualifying projects are those projects with costs between \$35,000 and \$250,000 which are funded from sources such as Federal funds, gift funds, Hospital Reserve funds, Opportunity funds, and Registration Fees. General funds (19900A) may not be used to fully or partially fund projects costing \$35,000 or more.

### **IV. PROCEDURE**

#### **A. Originating Departments/Units**

1. The Vice Chancellors- Academic Affairs, External and Business Affairs\*, Marine Sciences, Student Affairs, Resource Management and Planning, and Health Sciences, and the CEO, UCSD Medical Center are to coordinate the preparation of requests for all State-funded minor capital improvements for departments, institutes, and offices under their respective cognizance. All central administrative units and general campus departments and units will coordinate and prepare draft project proposals for their respective areas.

2. For State-funded MCI Program projects, use the Minor Capital Improvement Project Proposal form, Exhibit A, to describe the project in detail with a complete justification. Include floor plans, sketches, or other data in support of the description and justification. Projects should be referred to as improvements or betterments rather than replacements or restorations. Provide cost estimates, if available, and indicate the source of cost data. Assign a department priority number for each project. Forward to the respective Vice Chancellors who will rank projects for their areas according to need, and forward the materials to CP&B.
3. For Non-State MCI Program projects, use the appropriate Facilities Design and Construction (FD&C), Medical Center Facilities Engineering (MCFE), or Facilities Management\* (FM) *Work Request* form, followed by a *Renovations and Alterations* (R&A) form. See PPM section 530-9 for a complete description of the R&A process.
4. For capital improvements costing less than \$35,000, please see PPM section 530-9. All renovation, construction, alteration and improvement projects, regardless of fund source or cost, must be documented and approved by FD&C, MCFE or FM\*.

**B. Capital Planning and Budgeting (CP&B)**

1. Universitywide Minor Capital Improvement (MCI) Program (State-funded)
  - a. Publishes the annual minor capital improvement call letter in February-March, coinciding with instructions received from the Associate Vice-President and Director of the Budget.
  - b. Assists departments in the preparation of minor capital improvement project proposals.
  - c. Reviews projects for conformance to the approved Academic Plan and Master Plan, and Long Range Development Plan (LRDP).
  - d. Coordinates and forwards all proposed minor capital improvement projects for the target year to FD&C for review of compliance with code.
  - e. Coordinates and forwards all proposed projects to the Physical Planning Office for preparation of Environmental Impact Classification form (EIC-1) and review for compliance with the Campus Master Plan LRDP.
  - f. Prepares and presents proposal package to the Capital Outlay and Space Advisory Committee (COSAC) for review and rank ordering of projects composing the annual campus State-funded MCI program. COSAC has been delegated the authority to assign priorities and recommend approval for all State-funded minor capital improvements to the Chancellor.
  - g. Prepares the campus-approved State-funded MCI Program and forwards to the Associate Vice-President and Director of the Budget for inclusion in the Universitywide MCI Program.
  - h. Maintains a current list of all proposed State-funded minor capital improvement projects until funding is received.

- i. Coordinates any campus program changes which may be required prior to the adoption of the Governor's Budget. Need for these may occur due to project disapproval as a result of the initial UCOP/State Department of Finance/ Legislative Analyst review. A project may be resubmitted after consultation with the UCOP staff when additional required justification is developed.
    - j. Coordinates the State-funded MCI Program revision, in which critical new unmet needs may be added to the priority listing, priorities can be reordered, and prefunding for critical new projects may be requested.
  - 2. Campus Non-State MCI Program
    - a. Approves and forwards R&A forms, cost estimates and preliminary plans for review for compliance with health, safety and building codes.
    - b. Reviews the fund sources cited to ensure that funds are available, and have no restrictions placed upon their use for such purposes.
    - c. Coordinates and forwards all proposed minor capital improvement projects to the Physical Planning Office for preparation of Environmental Impact Classification forms (EIC-1).
    - d. Forwards the letter of authorization, project proposal, and EIC-1 forms to originating department, Business and Financial Services (B&FS), and the Assistant Vice Chancellor-Facilities Design and Construction when a project has been reviewed and approved for inclusion in the Non-State MCI Program.
  - 3. Reports

Coordinates with FD&C the preparation of reports required by UCOP: a) the annual post-audit report for University wide MCI Program projects; and b) the annual report for projects approved through the campus Non-State MCI Program.
- C. Facilities Design and Construction (FD&C), Medical Center Facilities Engineering (MCFE) and Facilities Management (FM)\***
  - 1. Reviews all minor capital improvement projects for compliance with code.
  - 2. Executes all contracting in compliance with State law, and maintains fiscal management including payment authorization to contractors and vendors.
  - 3. Accomplishes design and construction of approved projects after funds have been made available. Provides on-site inspection as required to insure quality of work, code compliance, and adherence to contract specifications.
  - 4. Keeps originating department/units and CP&B advised as to a project's schedule and estimated construction cost throughout the design and construction process.
  - 5. Accepts the project as complete and handles post-construction guarantees.

**D. Business and Financial Services (B&FS)**

Upon receipt of notification from CP&B that a minor capital improvement project has been approved and work may proceed, B&FS (or FD&C) initiates transfer of funds from the fund source account to the plant ledger account.

EXHIBIT A

MINOR CAPITAL IMPROVEMENT  
PROJECT PROPOSAL

University of California  
Campus: San Diego

Project Title \_\_\_\_\_  
\_\_\_\_\_

Funding Year \_\_\_\_\_

Plant Ledger Title \_\_\_\_\_

Campus Priority No. \_\_\_\_\_

Funding Source \_\_\_\_\_

Account No. \_\_\_\_\_

(State/Ed. Fee, Loan, Gift)

Cost Estimate \_\_\_\_\_

DESCRIPTION:

JUSTIFICATION:

BUDGET:

CLASSIFICATION OF SPACE:

Construction \$  
Fees, Plans, Supervision \$  
Special Items \$  
Contingency \$

- New or Additional asf or gsf
- Critical Life Safety
- Reclassification of Space (28.71)
- Other

Originating Department/Unit Contact \_\_\_\_\_ Date Prepared \_\_\_\_\_

Proposal Prepared by \_\_\_\_\_

Estimate/Budget Prepared by \_\_\_\_\_

Campus Contact \_\_\_\_\_