

The Regents of the University of California

COMMITTEE ON GROUNDS AND BUILDINGS

January 22, 2015

The Committee on Grounds and Buildings met on the above date at UCSF–Mission Bay Conference Center, San Francisco.

Members present: Regents De La Peña, Leong Clancy, Makarechian, Ruiz, Saifuddin, and Zettel; Ex officio members Brown, Napolitano, and Varner; Advisory members Davis and Hare; Staff Advisors Acker and Coyne

In attendance: Regents Elliott, Engelhorn, Gould, Island, Kieffer, Lansing, Newsom, Pérez, and Reiss, Regent-designate Oved, Faculty Representative Gilly, Secretary and Chief of Staff Shaw, General Counsel Robinson, Provost Dorr, Executive Vice President and Chief Financial Officer Brostrom, Senior Vice President Stobo, Vice Presidents Brown, Duckett, and Sakaki, Chancellors Block, Blumenthal, Gillman, Hawgood, Katehi, Leland, Wilcox, and Yang, and Recording Secretary McCarthy

The meeting convened at 12:10 p.m. with Committee Chair Makarechian presiding.

1. **APPROVAL OF MINUTES OF PREVIOUS MEETING**

Upon motion duly made and seconded, the minutes of the meeting of November 18, 2014 were approved.

2. **ANNUAL REPORT ON SUSTAINABLE PRACTICES 2014**

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Committee Chair Makarechian said that because of the shortness of time, this important Report would be presented at a future meeting.

3. **APPROVAL OF PRELIMINARY PLANS FUNDING, NORTH ADDITION OFFICE BUILDING, UC DAVIS HEALTH SYSTEM, SACRAMENTO, DAVIS CAMPUS**

The President of the University recommended that the 2014-15 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Davis (Sacramento Campus): North Addition Office Building – preliminary plans – \$3.71 million to be funded from Hospital Reserves.

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Executive Vice President and Chief Financial Officer Brostrom said this item requested approval of \$3.71 million from hospital reserves for preliminary plans funding for a new building that would allow the UC Davis Medical Center to comply with the SB 1953 2020 seismic deadline. Committee Chair Makarechian added that this funding would be for only preliminary design and plans.

Upon motion duly made and seconded, the Committee approved the President’s recommendation and voted to present it to the Board, with Regent Brown abstaining.

4. **AMENDMENT OF POLICY ON APPROVAL OF DESIGN, LONG RANGE DEVELOPMENT PLANS, AND THE ADMINISTRATION OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND AUTHORIZATION OF THE PRESIDENT OF THE UNIVERSITY TO IMPLEMENT THE PILOT PHASE OF THE DELEGATED PROCESS FOR CAPITAL IMPROVEMENT PROJECTS**

The President of the University recommended that, upon final approval of the related amendments to Standing Order 100.4: Duties of the President of the University, the Regents:

- A. *Amend Regents’ Policy 8102: Approval of Design, Long Range Development Plans and the Administration of the California Environmental Quality Act* as shown in Attachment 1, to be effective upon final action approving the related amendments to Standing Order 100.4.
- B. Rescind the Guidelines for Implementation of the Pilot Phase of the “Process Redesign for Capital Improvement Projects” adopted by the Regents in September 2008, as shown in Attachment 2.
- C. Authorize the President to implement the Delegated Process consistent with *Program Parameters for the Pilot Phase Delegated Process for Capital Improvement Projects* as shown in Attachment 3.

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Executive Vice President and Chief Financial Officer Brostrom said this item requested approval of a two-year extension of the Delegated Process for Capital Improvement Projects, which had begun in 2008, through March 31, 2017. A related item considered by the Committee on Governance would increase the approval threshold from \$60 million to \$70 million, to adjust for inflation. Committee Chair Makarechian added that an additional policy change would eliminate the automatic 25 percent allowable

augmentation to project budgets; Mr. Brostrom said that proposed change would be considered at a future meeting.

Regent Leong Clancy asked when the Delegated Process would be made permanent. Committee Chair Makarechian responded that the Committee previously decided it needed additional time so that more projects could be completed under the Delegated Process to enable assessment of the process. When the Committee has sufficient data about an adequate number of completed projects, a decision would be made whether to make the Delegated Process permanent.

Upon motion duly made and seconded, the Committee approved the President's recommendation and voted to present it to the Board.

The meeting adjourned at 12:15 p.m.

Attest:

Secretary and Chief of Staff

Additions shown by underscoring; deletions shown by strikethroughs

Regents Policy 8102: POLICY ON APPROVAL OF DESIGN, LONG RANGE DEVELOPMENT PLANS, AND THE ADMINISTRATION OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

Approved July 16, 1993;

Amended and Renamed January 16, 2003;

Amended September 18, 2008, January 21, 2010, January 20, 2011 and January 23, 2014

- (1) The Regents designate the following categories of projects as requiring design approval by the Committee on Grounds and Buildings:
- a. ~~Except as provided in subparagraph (e)~~ Building ~~building~~ projects with a total project cost in excess of \$10,000,000, except when such projects consist of the following:
 - i. alterations or remodeling where the exterior of the building is not materially changed;
 - ii. buildings or facilities located on agricultural, engineering or other field stations; or
 - iii. agriculture-related buildings or facilities located in areas of a campus devoted to agricultural functions.
 - b. Capital improvement projects of any construction cost when, in the judgment of the President, a project merits review and approval by the Regents because of budget matters, fundraising activities, environmental impacts, community concerns, or other reasons.
- (2) ~~e. This paragraph shall apply exclusively to eligible capital projects for those campus entities approved by the Committee on Grounds and Buildings for inclusion in the pilot phase of the Delegated Process for Capital Projects. The President of the University is authorized to approve the project's design. Building projects for those campuses approved by the Committee on Grounds and Buildings for inclusion in the pilot phase of the Delegated Process for Capital Improvement Projects with a total project cost in excess of \$60 million subject to the same exclusions as subparagraph (a). This subparagraph shall become inoperative and is repealed on March 31, 2017~~ March 31, 2015, unless later Regents' action, that becomes effective on or before March 31, 2017 ~~March 31, 2015~~, deletes or extends the date on which it becomes inoperative and is repealed.

2008 RECOMMENDATION

The President recommends that the ~~Committee on Grounds and Buildings~~ recommend to the Regents that, following service of appropriate notice:

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B. ~~Following Temporary Amendment of the Standing Orders and Regental Policy, if approved, Approval of Proposed Guidelines for Implementation of the Pilot Phase of the “Process Redesign for Capital Improvement Projects”:~~

~~Approval of the following guidelines for campus participation in the “Process Redesign for Capital Improvement Projects” to provide a set of linked design and capital financial documents enabling the Regents to provide portfolio-level oversight of capital projects effectively. The Implementation Team anticipates that additional guidelines for implementation may be identified as it continues its work; when these are developed, they will be shared with the Committee on Grounds and Buildings for its information at a future meeting.~~

- ~~(1) Each campus’ Ten-Year Capital Financial Plan will be a stand-alone portfolio document not requiring additional commentary or explanation and will describe a financially feasible capital program, how it relates to academic and strategic priorities, and the financing strategies that will be used to implement the Plan. Each campus Ten-Year Capital Financial Plan will be reviewed and approved by the Regents.~~
- ~~(2) Chancellors will have authority to change the scheduling of individual projects identified within the Ten-Year Capital Financial Plan and to augment the budget of a project included in the pilot phase insofar as the project and the overall portfolio of projects remain financially feasible and the total project budget does not exceed \$60 million.~~
- ~~(3) Chancellors will report annually to the President any changes or updates to their Ten-Year Capital Financial Plans. These data will be included in a University-wide annual report to the Regents.~~
- ~~(4) Each campus’ Physical Design Framework will be reviewed and approved by the Regents in coordination with the campus Long Range Development Plan (LRDP) and will be a comprehensive report identifying the campus’ principles and objectives for the design of the physical environment, how they relate to the campus LRDP, and how they are integrated into project planning and design. For the pilot phase, the Physical Design Framework should be approved with the campus’ Ten-Year Capital Financial Plan. Minor amendments to the Physical Design Framework may be approved by the President, based on guidelines to be developed. When these~~

~~guidelines are refined, they will be shared with the Committee on Grounds and Buildings for its information at a future meeting.~~

- ~~(5) The Regents will approve a template for a “checklist” to be used for project evaluation and documentation.~~

- ~~(6) For State-funded projects, the pilot phase of the redesign process will be limited to CEQA approval and design review. Campuses must continue to follow all procedures established by the State relating to the approval of project scope, budget and schedule. See Attachment B. (“Proposed Guidelines for Implementation of the Pilot Phase of the Process Redesign for Capital Improvement Projects.”)~~

**PROGRAM PARAMETERS FOR THE PILOT PHASE OF THE DELEGATED
PROCESS FOR CAPITAL IMPROVEMENT PROJECTS**

The following *Program Parameters for the Pilot Phase of the Delegated Process for Capital Improvement Projects* outlines a set of integrated campus plans and reporting enabling the Regents to provide effective portfolio-level oversight of capital projects. Additional guidelines for implementation and monitoring of the Delegated Process may be identified; when these are developed, they will be shared with the Committee on Grounds and Buildings for its information at a future meeting.

For State-funded projects, the Delegated Process will continue to be limited to design review and any California Environmental Quality Act determinations. Campuses must continue to follow all procedures established by the State relating to the review and approval of project scope, budget, and schedule.

Capital Financial Plan

- (1) Each campus entity requesting to have projects approved via the Delegated Process will be required to submit a *Ten-Year Capital Financial Plan*. The Plan is a stand-alone portfolio document not requiring additional commentary or explanation and will describe a financially feasible capital program, how it relates to academic and strategic priorities, and the financing strategies that will be used to implement the Plan. The Plan is reviewed by the President of the University and accepted by the Regents.
- (2) Chancellors will report annually to the President or designee any changes or updates to the campus' *Ten-Year Capital Financial Plan*. These updates will be consolidated in the University's *Ten-Year Capital Financial Plan* and presented to the Regents for acceptance annually.

Physical Design Framework

- (3) Each campus prepares a *Physical Design Framework* that describes the campus' principles and objectives for the design of the physical environment, how these relate to the campus Long Range Development Plan, and how they are integrated into project planning and design, including descriptions of campus planning and design approval processes for capital projects. A Physical Design Framework comes into effect upon the acceptance of the Regents. A Physical Design Framework must be consistent with the Long Range Development Plan, and capital projects must be consistent with the Physical Design Framework. A campus may, if it elects, have separate Physical Design Frameworks for locations that are physically separated, and that may have separate Long Range Development Plans.

Project Checklist

- (4) The *Delegated-Authority Project: Certification Checklist* provides the chancellor with a mechanism to attest that a project is consistent with the applicable campus plans and otherwise meets the criteria for the Delegated Process; and the project adheres to all applicable laws, regulations, and University and Regents policies.
- (5) Anticipating that the form of the Checklist will undergo modifications and refinement, the President of the University shall continue to have the authority to develop, and revise, as necessary, the project checklist.

Reporting

- (6) The *Annual Report on Major Capital Projects Implementation* will provide the Regents with information, generally quantitative, which evaluates the implementation of goals for the capital program established by the Regents. By documenting the campuses' response to both Regents and systemwide priorities, the annual report will enable accountability to the Regents and the President of the University. This report will include a section with detailed reporting on projects implemented with the Delegated Process.