

**Office of the Chancellor
Pennsylvania State System of Higher Education
Procedures and Standards for University Operations**

**Procedure/Standard Number 2012-11
Delegation of Authority to Administer Facilities Projects**

Approved by:  **Date:** August 5, 2021
Chancellor

History: Board of Governors' (BOG) Policy 1990-04-A: *Delegation of Authority for Undertaking Design, Construction, Repair, Renovation, and Maintenance Projects*, was enacted in 1990, amended in 1998, and rescinded in 2012. It is being replaced by provisions of BOG Policy 1998-04-A: *Procurement of Goods, Services, Supplies, and Construction*, and these Procedures/Standards.

Revised -- March 5, 2013; August 5, 2021

Additional History—Original on file dated 1/24/2012.

Related Policies, Procedures or Standards: [Board of Governors' Policy 1998-04-A: *Procurement of Goods, Services, Supplies, and Construction*](#); PASSHE Procedures and Standards for University Operations, [Procedure/Standard Number 2011-01, *Facilities Manual*](#); PASSHE *Facilities Manual*; PASSHE *Manual for Preparing and Processing Contracts for Goods and Services*

Key Words/Categories: facilities, delegated, project, contract, construction authority, project manager, contract specialist, quality assurance

Additional References:

I. Introduction

BOG Policy 1998-04-A provides for the chancellor, as agency head, to carry out certain duties and responsibilities relative to the procurement of goods, services, supplies, and construction for the Pennsylvania State System of Higher Education (PASSHE). The duties and responsibilities include:

- Promulgate procedures, minimum staffing, and qualifications for administering contracts for construction, repair, renovation, and maintenance projects as allowed by law.
- Delegate to each PASSHE university the appropriate level of authority as allowed by law, to undertake design, construction, repair, renovation, and maintenance projects. Authority

will be commensurate with the demonstrated capability of the university's construction management and contract administration staff, as compared to the minimum qualifications specified in procedures prepared by the Office of the Chancellor.

BOG Policy 1998-04-A also calls for universities to achieve and maintain the qualifications and staffing required for delegation of authority to administer facilities projects.

The design, construction, repair, renovation, and maintenance of facilities are essential to continued satisfactory operation of PASSHE universities. At its inception in 1983, PASSHE was granted increased authority to accomplish facilities projects by force account (in-house personnel and university-purchased materials) or to contract for those services. Many services previously performed by the Department of General Services are now performed by PASSHE universities.

Accomplishing facilities projects involves various degrees of risk. The health and safety of workers and facilities users might be adversely affected by construction activities, and the university may encounter continuing repair and maintenance problems with a completed facility that is not designed and constructed properly. If projects and project contracts are not administered properly and efficiently, public funds might be wasted. University employees might be personally at risk if they are administering projects and project contracts for which they are not qualified. PASSHE and its universities might face adverse publicity if any of the above occur.

To ensure that facilities projects are accomplished in the public's best interest and with minimal risk, qualified personnel should be in place to administer projects, and standard procedures should be in place to guide them. Before a PASSHE university undertakes any facilities project exceeding \$25,000, the university must achieve and maintain delegated project authority. To do so, the university must establish a construction management and contract administration organization and have Program Administrative Standards in place, as required in these procedures.

II. Definitions

- A. **Construction:** Erection of a new building or structure, or the improvement of, addition to, or major renovation of an existing facility.
- B. **Design:** Preparation of plans, specifications, and contractual documents for construction, repair, renovation, or maintenance projects.
- C. **Facility Repair, Renovation, and Maintenance:** Defined in Board of Governors' Policy 1990-01-A: *Facilities Resource Planning and Budgeting*.
- D. **Program Administrative Standards:** Procedures manuals, documents, files, equipment, hardware and software, references, tools and equipment, and other elements necessary for the efficient and effective execution of facilities projects.

III. Responsibilities

- A. The Assistant Vice Chancellor for Facilities shall administer these procedures for the Office of the Chancellor.

- B. Each university shall administer its own program and achieve and maintain the appropriate level of delegated project authority by having the required construction management and contract administration organization in place, along with the required Program Administrative Standards. Levels of authority and their requirements are outlined in Section V, Implementation Standards.
- C. The Regional Procurement Office will administer and maintain a comparable program for the contract specialist services provided to the universities they support. The support provided will meet the contract specialist portions of the Program Administrative Standards and Implementation Standards for the participating universities.

IV. **Procedure/Standard**

- A. Each university shall conduct an annual internal review of organization and workload when the university plans its facilities projects program for the year, usually in late summer or early fall. The purpose of the review is to ensure that staff meet requirements for the level of authority to which the university intends to certify, and to examine the program and projects to be executed in the upcoming year to determine if additional staff or contracted services are needed to meet project manager and quality assurance requirements.
- B. The Regional Procurement Office shall conduct an annual internal review of the organization along with a review of the workload for the universities for which they will be procuring professional and construction contracts. The purpose of this review is to ensure that the Regional Procurement Office staff meet the requirements for the level of authority for which the universities intend to certify, and to determine if additional staff or contracted services are needed to meet the contract administration requirements. A copy of the review shall be provided to CSO not later than October 1 for the upcoming year, and shall include the names and position titles of staff fulfilling the contract administration requirements.
- C. Each university shall certify to the Office of the Chancellor that it meets the requirements outlined in Section V to achieve and maintain a certain level of delegated authority. Certification shall be annual, to be submitted not later than October 1 for the upcoming year, and shall include the names and position titles of staff fulfilling the required construction management and contract administration organization. The university shall specify whether their contract administration will be performed by the Regional Procurement Office or with university personnel. Either the university's fiscal and administrative vice president or the university president shall certify for the university.
- D. The Office of the Chancellor shall approve, approve with stipulations, or disapprove university certifications. Approval or disapproval shall be accomplished not later than November 1, or if the university's submission of certification is received after October 1, 30 days after the submission is received.
- E. The Office of the Chancellor shall develop, maintain, and update lists, checklists, and other documents that provide guidance for universities as to specific recommended elements of Program Administrative Standards.

- F. Each university shall undergo either a peer review or an Office of the Chancellor review not less than every five years. Peer reviews will be conducted by another university; Office of the Chancellor reviews will be conducted by the Assistant Vice Chancellor for Facilities and/or his/her staff. The Office of the Chancellor shall develop, maintain, and update lists, checklists, and other documents that provide guidance and standards for reviews. Universities shall submit requests for peer reviews or Office of the Chancellor reviews to the Assistant Vice Chancellor for Facilities, with indication of preference. For a peer review, prior coordination with another university is encouraged. In some cases, reviews may be performed jointly by a peer university and the Office of the Chancellor.
- G. Universities may not undertake projects exceeding the level of authority to which they have been certified, unless they receive a specific exception from the Office of the Chancellor.
- H. Universities may request authority to undertake a project or projects beyond their level of authority by submitting a request to the Office of the Chancellor. Requests shall provide details as to the personnel, organization, and strategy for execution of the project.
- I. Universities without the appropriate level of authority may undertake projects only by one of the following methods:
 - 1. Request and receive a specific exception from the Office of the Chancellor to undertake the project; or
 - 2. Have another university undertake the project on their behalf; or
 - 3. Have the Pennsylvania Department of General Services undertake the project.

V. Implementation Standards

A. Authorities

There shall be two levels of delegated authority: Full Authority and Limited Authority.

- 1. **Full Authority:** Allows the university to execute facilities projects of any value. To achieve and maintain Full Authority, the university shall have the following organization:
 - a) At least one Contract Specialist Level 2 (or equivalent support from the Regional Procurement Office); and
 - b) At least one Project Manager Level 2.
 - c) A Quality Assurance Representative is recommended, but not required. If there is no Quality Assurance Representative, the Project Manager(s) will be required to perform the quality assurance function, and must be capable of doing so.
 - d) Additional Project Managers, at either Level 2 or Level 1, or contracted project management services, may be required to meet workload requirements.
 - e) Additionally, at least one Quality Assurance Representative, or contracted quality assurance services, is recommended when undertaking a project in excess of \$10 million. Additional projects in excess of \$10 million may require additional

quality assurance capabilities.

2. **Limited Authority:** Allows the university to execute facilities projects up to \$1 million each. Projects in excess of \$1 million may be executed only upon approval of the Office of the Chancellor. To achieve and maintain Limited Authority, the university shall have the following organization:
 - a) At least one Contract Specialist Level 1 (or equivalent support from the Regional Procurement Office); and
 - b) At least one Project Manager Level 1.
 - c) A Quality Assurance Representative is recommended, but not required. If there is no Quality Assurance Representative, the Project Manager(s) will be required to perform the quality assurance function, and must be capable of doing so.
 - d) Additional Project Managers, at either Level 2 or Level 1, or contracted project management services, may be required to meet workload requirements.

For a university with Limited Authority to execute a project in excess of \$1 million, the university shall submit a request to the Office of the Chancellor. The request shall provide pertinent information about the project, the university's plan to execute the project (personnel, contracts, etc.), and other current workload.

3. **Achieving and Maintaining Authority:** To achieve and maintain specific authority levels, the university shall have in place Program Administrative Standards, and shall have reviewed and updated them within the past three years.

To certify for specific authority levels, the university shall have conducted an internal review to ensure that its organization meets the requirements for that level, and that it is adequate for the anticipated projects and workload for the upcoming year.

To maintain specific authority levels, the university shall have a peer review or review by the Office of the Chancellor within the last five years.

B. Positions and Required Education, Experience, and Training

Positions are described below for the purpose of qualifying the education, experience, and training required for administration of facilities projects contracts and certification of levels of project authority. They are distinct and separate from any other job descriptions or position classifications.

1. Contract Specialist Level 2

- a) Education and Experience
 - 1) Baccalaureate degree and six years of contracting experience encompassing all phases of facilities contract administration, including professional services, construction contracting, and materials procurement; or
 - 2) Ten years of continuous procurement experience within the last 15 years encompassing all phases of facilities contract administration, including professional services, construction contracting, and materials procurement; or
 - 3) Satisfies the requirements of a System Purchasing Agent 3 and has seven years of continuous procurement experience, within the last ten years,

encompassing all phases of facilities contract administration, including professional services, construction contracting, and materials procurement.

- 4) An incumbent facilities contract specialist who, as of the effective date of this document, does not have the education and/or years of experience specified in 1) through 3) above, but has demonstrated a level of knowledge and understanding comparable to that expected of the specified education, training, and experience, may continue to fill a Contract Specialist Level 2 position. New hires after the effective date of this document must meet 1), 2), or 3) above.
- b) Training: To continue in the position of Contract Specialist Level 2, the individual must have successfully completed at least 40 hours of relevant training in the last five years in continuing education courses that address one or any combination of the following subjects: design and/or construction contract administration, design and/or construction contract procurement, construction law, construction claims or claims avoidance, contract changes, risk management, and/or other relevant courses.

2. Contract Specialist Level 1

- a) Education and Experience
 - 1) Baccalaureate degree and three years of contracting experience encompassing all phases of facilities contract administration, including professional services, construction contracting, and materials procurement; or
 - 2) Five years of continuous procurement experience within the last 15 years encompassing all phases of facilities contract administration, including professional services, construction contracting, and materials procurement; or
 - 3) Satisfies the requirements of a System Purchasing Agent 3 and has four years of continuous procurement experience within the last ten years, encompassing all phases of facilities contract administration, including professional services, construction contracting, and materials procurement.
 - 4) A facilities contract specialist who does not have the years of experience specified in 1) through 3) above, but has demonstrated a level of knowledge and understanding comparable to that expected of the specified education, training, and experience, may fill a Contract Specialist Level 1 position.
- b) Training: Same as Contract Specialist Level 2 above.

3. Project Manager Level 2

- a) Education and Experience
 - 1) A registered architect (R.A.) or professional engineer (P.E.) with at least three years of design and/or construction contract administration experience for facilities building projects; or
 - 2) A degreed architect or engineer, or someone with at least a baccalaureate degree in an associated field, who has been a project manager with at least

five years of design and/or construction contract administration experience for facilities building projects within the last 15 years.

- 3) An incumbent who, as of the effective date of this document, does not meet the registration, degree, education, and/or experience requirements specified in 1) or 2) above, but has demonstrated a level of knowledge and understanding comparable to that expected of the specified education, training, and experience, may continue to fill a Project Manager Level 2 position. New hires after the effective date of this document must meet 1) or 2) above.
- 4) An individual who does not meet the requirements of any of 1), 2), or 3) above may, in certain cases, fill a Project Manager Level 2 position if approved by the Office of the Chancellor.

- b) Training: To continue in the position of Project Manager Level 2, the individual must have successfully completed at least 40 hours of relevant training in the last five years in continuing education courses that address one or any combination of the following subjects: construction contract administration, project management, building code enforcement, construction law, construction claims or claims avoidance, fee negotiations, change order negotiations, risk management, cost estimating, and/or other relevant courses.

4. Project Manager Level 1

a) Education and Experience

- 1) A registered architect (R.A.) or professional engineer (P.E.) with at least one year of design and/or construction contract administration experience for facilities building projects; or
- 2) A degreed architect or engineer who has been a project manager with at least three years of design and/or construction contract administration experience for facilities building projects within the last 15 years; or
- 3) A construction technologist with at least an associate's degree in a construction-related field who has served as a design and/or construction project manager for at least five years within the last 15 years; or
- 4) A construction trades specialist with at least five years of experience in the trades who has practiced as a project manager for at least five of the last 15 years.
- 5) A degreed architect or engineer, construction technologist with at least an associate's degree, or construction trades specialist who does not have the specified years of experience specified in 1) through 4) above, but has demonstrated a level of knowledge and understanding comparable to that expected of the specified training and experience, may fill a Project Manager Level 1 position.

- b) Training: Same as Project Manager Level 2 above.

5. System Project Manager

Each university shall designate one Project Manager as System Project Manager. Either a Project Manager Level 2 or a Project Manager Level 1 can fulfill the role of System Project Manager.

The System Project Manager's duties and responsibilities shall be outlined as part of the university's Program Administrative Standards but, in general, they should include the following:

- a) Act as the university facilities projects organization's primary point of contact with the Office of the Chancellor for all facilities projects issues.
- b) Act as the responsible individual authorized to sign project and/or contract documents and take certain project and/or contract actions, other than formal Contracting Officer responsibilities. The System Project Manager could, however, also be authorized to perform certain Contracting Officer responsibilities.

6. Contracted Project Management Services

Services acquired through a contract with a firm specializing in construction management services, a design professional, or an individual for project management or construction management services. The education and experience of the person(s) providing the service through the contract shall be equivalent to Project Manager Level 2.

7. Quality Assurance Representative

- a) Education and Experience
 - 1) A degreed architect or engineer who has two years of experience in inspection of public or commercial construction or facilities renovation; or
 - 2) An associate's degree in either civil, electrical, or mechanical engineering technology, or a closely related field, and three years of experience in inspection of public or commercial construction or renovation work that required reading and interpreting plans and specifications; or
 - 3) Ten years of progressively responsible and varied experience in the building trades, which included five years of experience in the inspection or construction quality control of building construction, structural, electrical, or mechanical systems; or
 - 4) A degreed architect or engineer, construction technologist with associate's degree, or construction trades specialist who does not have the years of experience specified in 1) through 3) above, but has demonstrated a level of knowledge and understanding comparable to that expected of the specified training and experience.
- b) Training: To continue in the position of Quality Assurance Representative, the individual must have completed successfully at least 40 hours of relevant training in the last five years in continuing education courses that address one or any combination of the following subjects: construction contract administration, building inspection, quality assurance techniques, building code enforcement, construction law, construction claims or claims avoidance, fee negotiations, change order negotiations, risk management cost estimating, and/or other relevant courses.

8. Contracted Quality Assurance Services

Services acquired through a contract with a firm specializing in construction management services, a design professional, or with an individual for quality assurance or inspection services. The education and experience of the person(s) providing the service through the contract shall be equivalent to a Quality Assurance Representative.

C. Workload

The workload for Project Managers, Quality Assurance Representatives, and Contract Specialists is a critical factor in the ability to administer projects while maintaining minimally acceptable levels of risk. To ensure that the university's staffing properly fulfills the requirements for its level of delegated authority, and to manage its facilities program successfully, workload assignments must be evaluated and appropriately distributed.

1. Factors to Consider in Evaluating Workload

- a) Dollar value of project(s): Total dollar value of projects being administered, by itself, is not always a good indicator of workload. It is generally much easier to administer one \$1 million project than ten \$100,000 projects because many actions must be done on each project, such as a preconstruction conference, biweekly progress meetings, monthly payment applications, etc.
- b) Number of projects: The number of projects being administered, by itself, is not always a good indicator of workload. A \$1 million project will typically have significantly more actions throughout its duration, such as requests for information, change orders, etc., than a \$100,000 project because larger projects are generally more complex.
- c) Scope of project(s): The scope of projects being administered must also be considered. A single-scope project, such as paving a parking lot or installing a large piece of mechanical or electrical equipment, is generally easier to administer than a project with multiple facets to its scope, such as an interior renovation project. Complexity of scope also can relate to the number of separate prime contractors on the project. When more separate prime contractors are involved, generally more work is required of university staff. Additionally, the amount of coordination that must be done with university entities must be considered.
- d) Phase (design, construction, close-out) of project(s): The design phase of a project is generally less taxing on university staff than the construction phase. The design phase is usually characterized by short periods of high activity (review of design submittals and cost estimates, meetings with university entities, etc.) with periods of little or no activity while the professional is working on the next design submittal. In contrast, the construction phase of a project usually involves almost daily activities. The close-out phase may or may not be time-consuming. Occasionally, a project in close-out will require large amounts of time and attention to complete the final punch list, resolve warranty issues, or address post construction claims. While a portion of a university's construction program is based on an annual cycle, some opportunities usually arise for distributing projects in different phases to staff.

- e) Role of the design professional versus the university staff: How much the university relies upon the contracted design professional to do certain construction contract administration tasks affects the number and/or size of projects that the university staff can handle. Tasks such as preparing and negotiating change orders, reviewing and approving payment applications, and coordinating directly with university entities, are sometimes done by the professional and sometimes by university staff, depending on the university's preference. When university staff performs such tasks, the university retains more control and may save money on the professional's contract. When the professional performs such tasks, with university staff only checking them, university staff can usually handle more and/or larger projects.
- f) How smooth or problematic the project(s) is(are): Some projects are accomplished smoothly and some are not. The quality of the design professional and his plans and specifications make a big difference in how many construction-phase issues must be resolved. Similarly, construction contractors may execute the work smoothly and efficiently. Other contractors may mismanage the job and/or take shortcuts in construction, which requires utmost attention from university staff. The existence of unanticipated conditions on the site also may create additional work for all parties.
- g) Experience and capabilities of staff: A more experienced and capable project manager, quality assurance representative, or contract specialist, even at the same level, should be able to administer more and/or higher-value projects than one of lesser experience and capabilities.
- h) Other nonproject duties and responsibilities assigned to staff: Lastly, sometimes a project manager or a contract specialist has other university responsibilities and is not solely dedicated to projects. Clearly, these additional responsibilities detract from the capability to handle project workload.

2. **Workload Guidelines**

There are no set formulas or rules of thumb for evaluating and assigning workload; however, general guidelines are outlined below for consideration when looking at a university's workload and staff. In all cases, these are for staff solely dedicated to projects.

At some point, when workload and staff become large enough, a supervisor/manager may be needed to oversee the projects, contracts, organization (project managers and quality assurance representative(s), possibly the contract specialist(s), and any contracted construction management and quality assurance services). The supervisor/manager may or may not manage individual projects as part of his/her duties and responsibilities.

For purposes of this document, project sizes are generally defined as follows: a large project is \$5 million or more; a midsize project is \$1 million to \$5 million; and a small project is under \$1 million.

- a) A Project Manager Level 2 is required to administer a project over \$5 million.

- b) As projects exceed a \$20 million level, more than one Project Manager may be required (a Project Manager Level 2 as lead, with a Project Manager Level 1 assisting).
- c) A Project Manager Level 2 could administer:
 - 1) One large project plus two to three midsize projects; or
 - 2) One large project plus three to four small projects; or
 - 3) Two midsize projects plus three to four small projects; or
 - 4) Four to eight small projects; or
 - 5) Some equivalent combination of projects.
- d) A Project Manager Level 1 could administer:
 - 1) Two midsize projects; or
 - 2) One midsize project plus two to three small projects; or
 - 3) Three to four small projects; or
 - 4) Some equivalent combination of projects.
- e) A Quality Assurance Representative could be assigned to:
 - 1) One very large project; or
 - 2) Two large projects; or
 - 3) Three to four midsize projects; or
 - 4) Four to six small projects; or
 - 5) Some equivalent combination of projects.
- f) If a Project Manager is also performing quality assurance services, his/her ability to administer projects is degraded by an equivalent factor.
- g) Contracted project management and/or quality assurance services can fulfill some of the requirements above.
- h) A Contract Specialist's workload is generally heaviest during contract formation (advertising, bidding, and award) and during the initial weeks or month of contract administration. A second Contract Specialist may be needed if the Project Manager and quality assurance staff exceeds three total persons.