

ADMINISTRATIVE DIVISION Administration and Finance	POLICY NUMBER FCMN 1.06
POLICY TITLE Establishment of Permanent Improvement Projects	
SCOPE OF POLICY USC System	DATE OF REVISION June 01, 2021
RESPONSIBLE OFFICER Chief Operating Officer	ADMINISTRATIVE OFFICE Facilities Planning, Design and Construction

**PURPOSE**

This document sets forth the University of South Carolina policy on the establishment of permanent improvement projects for building and property acquisitions, construction and renovation projects, professional services for such projects, and capital lease purchases for facility acquisition or construction.

**DEFINITIONS AND ACRONYMS**

PIP: Permanent Improvement Project

CPIP: Comprehensive Permanent Improvement Plan

FPDC: Facilities Planning, Design and Construction Department

**POLICY STATEMENT**

- A. The Office of Facilities Planning Design and Construction (FPDC) is responsible for establishing all Permanent Improvement Projects for the University system regardless of the source of funding. The University will follow procedures consistent with requirements of the South Carolina Department of Administration Executive Budget Office, the Commission on Higher Education, the Joint Bond Review Committee, and the State Fiscal Accountability Authority.
- B. A Permanent Improvement Project (PIP) is defined as:
  - 1. Acquisition of land, regardless of cost, with staff level review of the committee and the State Fiscal Accountability Authority Executive Budget Office, up to two hundred fifty thousand dollars.
  - 2. Acquisition, as opposed to the construction, of buildings or other structures, regardless of cost, with staff level review of the committee and the State Fiscal Accountability Authority Executive Budget Office, up to two hundred fifty thousand dollars.
  - 3. Work on existing facilities for any given project including their renovation, repair, maintenance, alteration, or demolition in those instances in which the total cost of all work involved is one million dollars or more.

4. Architectural and engineering and other types of planning and design work, regardless of cost, which is intended to result in a permanent improvement project. Master plans and feasibility studies are not permanent improvement projects and are not to be included.
5. Capital lease purchase of a facility acquisition or construction in which the total cost is one million dollars or more.
6. Equipment that either becomes a permanent fixture of a facility or does not become permanent but is included in the construction contract shall be included as a part of a project in which the total cost is one million dollars or more; and
7. New construction of a facility that exceeds a total cost of five hundred thousand dollars.

## **PROCEDURES**

- A. FPDC shall submit a Comprehensive Permanent Improvement Plan (CPIP) each year in accordance with SC Code Section 2-47-55. The CPIP must include all the permanent improvement projects anticipated or to be proposed over the next five years beginning with the fiscal year starting July 1 after submission. Projects planned for the first year include all projects that the University expects to initiate in the upcoming fiscal year for which the funding sources are already available or for which there is a reasonable certainty the funding will be available during the year. The second and remaining years of the plan focus on projects for which the agency will request funds from the General Assembly, as well as projects that the agency anticipates having its own or other non-state funding sources for. Projects shall be categorized and prioritized for submission as the University's CPIP.
- B. Comprehensive Permanent Improvement Plan (CPIP)
  1. Requests

Written requests for projects that must be established as Permanent Improvement Projects (PIP) shall be submitted to FPDC. All requests must be submitted each year by February 1st to be included in the CPIP for the next fiscal year.

Projects included in the first and second years of the CPIP must be described in detail and must include:

- a. Project Name, Priority, Project Type, and Facility Type;
- b. Project Description;
- c. Project Justification;
- d. Alternatives considered;
- e. Estimated Project Costs;

- f. Fund Sources;
- g. Annualized Operating Budget Impact;

Projects included in years three through five require only Project Name, Estimated Project Cost and Proposed Source of Funds; however, additional information is encouraged.

## 2. Preparation

FPDC receives all requests for Permanent Improvement Projects each year by February 1st, then prepares the CPIP in accordance with the instructions of the Executive Budget Office of the Department of Administration and the Manual for Planning and Execution of State Permanent Improvements.

## 3. Submittals

Following approval of the CPIP by the Board of Trustees, the completed document shall be signed by the University President and submitted to the Commission on Higher Education (CHE), and to the Executive Budget Office. After the CPIP receives CHE recommendation, it shall be forwarded to the Joint Bond Review Committee. When the recommendation of the Joint Bond Review Committee is received, the CPIP shall be forwarded to the State Fiscal Accountability Authority for final approval.

## 4. Notification of CPIP Approval

When FPDC is notified that the CPIP has received final approval, the requesting departments and campuses are notified.

## 5. Establishment of Project

When the desired start date for a specific project has been established, FPDC will submit the project for approval by the University Finance & Infrastructure Committee and the Board of Trustees. Following the Board of Trustees; approval, FPDC will submit a Form A-1, Form A-49, and Required Information for Phase I A&E Pre-Design Proposals to the CHE and the Executive Budget Office. After the CHE has reviewed and approved the request, notification shall be forwarded to the Executive Budget Office. Executive Budget Office staff submit the project to the Joint Bond Review Committee and the State Fiscal Accountability Authority for approval. The Executive Budget Office assigns the project number and returns the approved Form A-1 to FPDC.

## 6. Notification of Project Approval

FPDC will notify the appropriate University parties of all approved projects and revisions.

7. Project Implementation

The Controller's Office shall assign an account number to the project. At this time, the project can be established, and funds expended.

C. Interim Projects

If a project need arises that is not included in CPIP, an Interim Permanent Improvement Project must be established. Interim projects are not encouraged and should be avoided except in cases of emergency need. A written request must be sent to FPDC as outlined in Section B.1. above. FPDC will attempt to obtain approvals per section B.5 and establish the project. The submittal, approval, and notification process will be as outlined above.

**HISTORY OF REVISIONS**

DATE OF REVISION	REASON FOR REVISION
June 01, 2021	Departmental name changes and to comply with changes to state procedures