

**UNIVERSITY OF HOUSTON SYSTEM
ADMINISTRATIVE MEMORANDUM**

SECTION: General Administration

NUMBER: 01.B.07

AREA: Facilities and Physical Plant

SUBJECT: Facilities Acquisition, Construction, or Renovation

1. PURPOSE

This administrative memorandum describes the procedures to be followed by all institutions governed by the University of Houston System seeking authorization to lease facilities; or to acquire property, to construct new facilities, or to expand or renovate existing academic or auxiliary buildings at a cost of \$1,000,000 or more.

2. POLICY

- 2.1. This administrative memorandum applies to all institutions governed by the University of Houston System including any campus, division, college/school, foundation or other entity requesting authorization to lease facilities; or acquire property, to construct new facilities, or to expand or renovate existing academic or auxiliary buildings at a cost of \$1,000,000 or more.
- 2.2. BOR Policy [55.01.3](#) outlines the general guidelines to be followed in negotiating, executing, and administering all contracts and related necessary legal documents and instruments not requiring board approval.
- 2.3. Request for authorization to acquire or lease property, or to construct new facilities, or to expand or renovate existing academic or auxiliary buildings shall include:
 - a. A needs assessment analysis

Each analysis shall clearly define the purpose of the facility and how it relates to the mission of the institution or entity. Both degree and non-degree offerings, where applicable, must be consistent with the institution's role and scope mission statement and must comply with the guidelines for offering academic courses as set forth by the [Texas Higher Education Coordinating Board](#).
 - b. Evidence of the academic programs ability to meet [Southern Association of College and Schools standards](#).
 - c. The total initial cost to acquire the capital asset.

- d. A five (5) year projected budget for continued operations.
- 2.4. Prior to discussions with client groups, preliminary investigations and discussions must be approved by the dean or director of the division or college, the appropriate Vice President, the CFO and President of the component in which the project will be located, the Senior Vice Chancellor, the AVC/AVP of Planning and University Outreach and the AVC/AVP of Plant Operations.
- 2.5. Projects shall be assigned an institutional project ranking in the submitted MP1.
- 2.6. Projects shall conform to the master plan for the component university campus where the project will be located.
- 2.7. In addition to the general guidelines listed above, projects that have a fundraising component, including those projects under \$1 million, shall provide the following:
 - a. A funding plan which contains:
 - Proposed specified amounts of institutional funds by category, including HEAF allocation and/or other sources (e.g., bonding).
 - Identified fundraising prospects, gift chart and a fundraising business plan that has been approved by the Associate Vice Chancellor for University Advancement.
 - b. An approved project scope, description of the facility, and identified naming opportunities.
- 2.8. All requests contemplated in this policy are required to follow the process outlined in the System [Project Evaluation Procedure manual](#) as posted on the UHS Plant Operations/Facilities Planning & Construction website, <http://www.uh.edu/plantops/fpc.html>.
- 2.9. This policy is being established to determine the feasibility of projects and their priority in meeting the mission of the University of Houston System and its individual component universities and affiliated entities.
- 2.10. Courses and program delivery by joint institutions shall be determined by written agreement between participating institutions and approved by the Chancellor.
- 2.11. Proposals for the establishment of new off-campus centers shall be forwarded to the Board for approval.

2.12. The System-wide Office of Plant Operations shall provide project evaluation services for the administration. These services are to be provided according to guidelines noted in the [Project Evaluation Procedures manual](#).

3. REVIEW AND RESPONSIBILITIES

Responsible Party: Associate Vice Chancellor for Plant Operations

Review: Every three years, on or before March 1

4. APPROVAL

Approved: Jim McShan
Interim Vice Chancellor for Administration and Finance

Renu Khator
Chancellor

Date: April 7, 2008