

## GENERAL GUIDELINES for CONSTRUCTION PROJECTS

1. Authorizations Required:
  - a. Remodel/renovation projects with total budgets of over \$500,000 but less than \$5,000,000 require Legislative spending authorization available for distribution to the campuses by the Chancellor's Office. Allocation of this approval must be coordinated through OSU Facilities Services.
  - b. Projects do not require formal legislative authorization unless the total project budget exceeds \$5,000,000, or if adequate systemwide limitation is not available from OUS, then approval must be obtained by the President's Cabinet, Oregon University System, Oregon Board of Higher Education and the Oregon Legislature.
  
2. Contracting Authority, OAR 580-063-0030
  - a. Projects with a direct contract cost of less than \$25,000 may be processed through OSU general purchasing procedures at PACS. If the estimated cost is close to \$25K (say \$23K or up), it is suggested, though not required, that the project go through \*Facilities' contracting procedures at PACS. If the bids come in over \$25K through normal purchasing procedures, the procurement must go through the Facilities process, so it may save some time to go through the Facilities process first.
  - b. Projects with a direct contract cost of more than \$25,000 are processed through the Facilities' Contracting process at PACS. (NOTE: Single elements [HVAC, electrical, etc.] of a project may not be "split" in order to avoid compliance with OAR 580-063-0030).
    - \* "Facilities" in this instance refers to the Facilities Office at the Chancellor's office, not OSU Facilities Services.
  
3. Cost Limits – Retainer process
  - a. Projects with a total expected contract cost of less than \$50,000 may be awarded to any firm on the retainer list deemed capable of performing the work. In no case may the contract cost exceed \$50,000.
  - b. Projects with a total expected contract cost of between \$50,000 and \$500,000: Must invite three firms to bid on the project. In no case may the cost of the design work performed by the selected designer exceed \$500,000.
  - c. Projects with a total expected contract cost of between \$500,000 and \$1,000,000 requires notice to all firms on retainer of the project for bidding. In no case may the cost of the contract exceed \$1,000,000.
  
4. Cost Limits – Non-Retainer process
  - a. Projects with a total expected cost of less than \$5,000 may be awarded to any firm deemed capable of performing the work. (OSU policy)
  - b. Projects with a total expected cost of between \$25,000 and \$100,000 may be awarded using either the informal or formal process identified in OAR 580-063-0030(2)(b) and 580-063-0030(2)(c).
  - c. Projects with a total expected cost in excess of \$100,000 must go through the "formal" bid process, as outlined in OAR 580-063-0030(2)(c).

5. Oregon Prevailing Wage Law
  - a. Projects with a total “contracted cost” of more than \$50,000 are subject to Oregon Prevailing Wage Law (BOLI). This includes both labor and materials or equipment purchased specifically for the project.
  - b. If the Facilities Project Manager or the client elects to issue separate purchase orders for the performance of a project, even though the individual purchase order may be less than \$50,000, BOLI law still applies. If BOLI law is applicable, the bid process must be performed by PaCS, even if the individual PO will be less than the delegated departmental limit of \$5,000, due to the complexities and reporting requirements for BOLI.
  
6. Funding
  - a. Before any contract or change order can be signed on behalf of the Board of Higher Education, funding in an amount adequate to cover the cost of the contract must be in place with Facilities.
  
7. Payments
  - a. All payments for design or project management services must be processed through Facilities Services.
  - b. All payments for construction services contracts must be processed through Facilities Services. On-site project manager will be provided a copy of the pay request (via FAX) for approval prior to processing of payment.