



## **POLICY & PROCEDURE DOCUMENT**

NUMBER: 3.5301

DIVISION: Finance & Administration

TITLE: Construction

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Authorized by: K. Ann Mead, VP of Finance & Administration  
Issued by: Department of Purchasing

### **I. Purpose and Scope**

To establish special conditions for construction projects on WKU property.

### **II. Policy**

"Construction" means the process of building, altering, repairing, improving, or demolishing any public structures or buildings, or other public improvements of any kind to any WKU owned or controlled public real property. This shall include but not be limited to installing an electrical outlet, painting walls, installing carpeting, adding a room or construction a new building. All construction shall go through the Planning, Design and Construction (PDC) Department who will consult with the Department of Purchasing and the best decision will be made as to how to proceed given budget and legal restraints.

Purchases of construction material and services, as defined under KRS 45A.030(4), may be made by the University in accordance with the procedures set forth herein:

### **III. Procedure**

#### **SMALL CONSTRUCTION**

1. The total procurement requirement for the project shall not exceed Forty Thousand Dollars (\$40,000). This limit includes both labor and materials. Larger projects shall not be artificially divided so as to constitute a small purchase under the Procurement Act.

All projects must be either administered or approved by the Planning, Design and Construction Department.

2. Requisitions and purchase orders shall not be parceled, split, divided or submitted over a period of time to avoid the dollar limitations of this small purchase procedure. Anticipated needs for goods and/or services that are ordered and/or paid for repetitively throughout a one year period, having a total cumulative cost equal to or greater than \$20,000 should be submitted to the Department of Purchasing. The Department of Purchasing will solicit quotes/bids or take the appropriate actions in accordance with this policy based on the total annual costs of the goods and/or services being requested.
3. The Department of Purchasing or their designee shall obtain at least one written quote from qualified sources of supply for small construction purchases less than \$20,000.00 and at least three (3) price quotes for construction purchases between Twenty Thousand Dollars (\$20,000) and Forty Thousand Dollars (\$40,000). If the Buyer determines it to be in the best interest of the University more quotes may be required. All quotes submitted by contractors must be written. They can be delivered in person, by mail, e-mail or fax. For quotes between \$20,000 and \$40,000 a formal Request for Quotation should be used. Any bids over \$40,000 shall require separate payment/performance bonds and will require a formal sealed bid. If evaluated to be in the best interest of the University, the Buyer has discretion to purchase up to \$40,000 with one quote. Insurance as required by the State of Kentucky shall be required on all projects. All documentation which include but is not limited to the quotations, tabulation sheet, and Buyer comments (see paragraph 4) concerning the supplier section, shall be in writing and shall be filed in a small purchase order file. These records are retained by the University Purchasing Department for record and audit review.
4. Whenever low bid is not awarded on a contract, a written justification supporting the decision shall be filed with the rest of the purchasing documents. The University may also opt to use best value as appropriate.

## **CAPITAL CONSTRUCTION**

1. Capital Construction Projects shall be defined as any construction project exceeding \$40,000 with an unlimited cap. All projects must be administered through the Department of Planning, Design & Construction. All capital projects shall be a formal, sealed bid or price contract administered by the Department of Purchasing. All projects shall administer a bid bond, performance bond, and satisfy the Commonwealth of Kentucky Insurance requirement. Any project exceeding Two-hundred-fifty Thousand dollars (\$250,000) shall be applied to the prevailing wage requirement of the State. All bids received may be mailed, UPS, FedEx, hand carried, or by other means, but must be received in the PDC Department of Purchasing in a sealed envelope. No fax bids or unsealed bids will be accepted. All documentation which includes but is not limited to the bid, tabulation sheet, and Buyer comments (see paragraph 2) concerning the supplier selection, shall be in writing and shall be filed in a bid file. These records are retained by the University Purchasing Department for record and audit review.
2. Whenever low bid is not awarded a contract, a written justification supporting the decision shall be filed with the rest of the purchasing documents.

3. Change order overages of 15% or more on Capital Projects will require the written approval of the Vice President's Office of Campus Services and Facilities.
4. The following is a step by step procedure for construction on the WKU campus:

"Construction" means the process of building, altering, repairing, improving, or demolishing any public structures or buildings, or other public improvements of any kind to any WKU owned or controlled public real property. This shall include but not be limited to installing an electrical outlet, painting walls, installing carpeting, adding a room or constructing a new building. All construction shall go through the Planning, Design and Construction (PDC) Department who will consult with the Department of Purchasing and the best decision will be made as to how to proceed given budget and legal restraints.

Contact PDC, giving them the scope and budget of the project/construction requested. PDC will determine if it must be approved by Frankfort and if an Architectural/Engineering firm is needed to draw up plans per state law.

When estimates are received they are compared to the budget. It is then determined if the project will proceed by all parties involved.

PDC and Purchasing will work together to determine which one of the following will be the best way to procure the project:

- WKU trades price contract will work for this project.
- WKU general contracts will work for this project.
- Project will need to go out for competitive sealed bid per the Kentucky Revised Statutes – Model Procurement Code.
- Other means will work for this project and PDC/Purchasing will direct.

When proceeding with the project, a Project Manager will be assigned to the project. The money for the project is encumbered to PDC. PDC gets a project number and index set up for the project.

PDC works closely with Purchasing to make sure all of the local, state and federal laws, regulations, permits, inspections and requirements are met. The Model Procurement Code KRS 45A is strictly followed using price contract, bids, or small purchase authority.

PDC manages the project working closely with the requesting department advising them of all developments, changes, budget changes, etc. The requesting departments consulted on selection of materials, colors, furnishings, equipment, etc. by both PDC and Purchasing.

PDC and Purchasing coordinate the construction and delivery of materials as ordered or bid through Purchasing making sure the time line is met and contractor is paid.