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June 29, 2016

VICE CHANCELLOR - ADMINISTRATION & FINANCE

Re: **Delegation of Authority 2598 — Amendments to the Capital Improvement Program¹ and Transfers of Capital Funds**

Effective immediately, I am re delegating authority to the Vice Chancellor, Administration & Finance the authority to approve amendments to the Capital Improvement Program for non-State-funded minor capital projects (total project cost equal to or less than \$750,000) and non-state-funded major capital improvement projects (total project cost greater than \$750,000) with a total project cost not to exceed \$10 million. Additional clarification and conditions regarding this delegation are contained in the attached April 19, 2016 letter from the Office of the President.

This delegation supersedes delegation of authority, DA 2574, issued on March 1, 2013 on this same subject. Any further re delegation of this authority must be in writing and may not exceed the authority you are given.

Please contact Campus Delegations of Authority Coordinator Laila DeBerry in the Office of Ethics, Risk and Compliance Services at 510-643-0233 or via email at delegations@berkeley.edu with any concerns or changes you may have with this delegation of authority.

Sincerely,



Nicholas Dirks

cc: Chief Campus Counsel Chris Patti
Chief Audit Executive Wanda Lynn Riley
Campus DA Coordinator Laila DeBerry



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April 19, 2016

**CHANCELLORS
 DIRECTOR—LAWRENCE BERKELEY NATIONAL LABORATORY
 EXECUTIVE VICE PRESIDENT—CHIEF OPERATING OFFICER
 VICE PRESIDENT—AGRICULTURE AND NATURAL RESOURCES**

Delegation of Authority – Amendments to the Capital Improvement Program¹ and Transfers of Capital Funds

The Standing Orders of The Regents provide certain authorities to the President of the University concerning amendments to the Capital Improvement Program and transfers of capital funds.

A. Non-State-Funded Major and Minor Capital Improvement Projects with a Total Project Cost Not to Exceed \$10,000,000

100.4 Duties of the President of the University

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(q)(1) Except as provided in paragraph (q)(2) below, the President is authorized to approve amendments to the Capital Improvement Program for projects not to exceed \$10 million. The President is also authorized to approved amendments to the Capital Improvement Program for projects exceeding \$10 million up to and including \$20 million, provided that concurrence is obtained from the Chairman of the Board and the Chairman of the Committee on Grounds and Buildings and also provided that all actions taken in excess of \$10 million up to and including \$20 million under this authority be reported at the next following meeting of the Board. However, the following shall be approved by the Board: (1) projects with a total cost in excess of \$20 million, (2) for projects in excess of \$20 million, any modification in project cost over standard cost-rise augmentation in excess of 25%, or (3) capital improvement projects of any construction cost when, in the judgment of the President, a project merits review and

¹ For the purposes of this delegation, "amendments to the Capital Improvement Program" refers to capital project budget and associated scope approvals.

approval by The Regents because of special circumstances related to budget matters, external financing, fundraising activities, project design, environmental impacts, community concerns, or substantial program modifications.

* * *

You are delegated the authority in your respective areas of responsibility to approve amendments to the Capital Improvement Program for non-State-funded minor capital projects (total project cost equal to or less than \$750,000) and non-State-funded major capital improvement projects (total project cost greater than \$750,000) with a total project cost not to exceed \$10 million². This authority excludes: (1) the addition of a new project with a cost in excess of \$10 million; (2) any modification in project budget that results in a project costing in excess of \$10 million; (3) any substantial program modification³ in physical characteristics or intended use of a project previously approved by The Regents or by my office, including any internal re-delegations; (4) any project funded wholly or in part by State funds; (5) any project that was denied funding by the State for reasons other than the unavailability of funding; or (6) projects involving Chancellorial residences or offices. Category (6) projects are subject to the approval requirements established in The Regents' policy on *University-Provided Housing*, <http://regents.universityofcalifornia.edu/policies/7708.pdf>

Any project with potential significant environmental impact is subject to the California Environmental Quality Act (CEQA). Therefore, there is no guarantee that projects added to the Capital Improvement Program will necessarily proceed to construction. The decision to proceed occurs, typically, at the design approval stage and must be accompanied by appropriate environmental impact information. Authority for project design approval is addressed in DA2597.

The authority herein for non-State-funded major capital improvement projects (total project cost exceeding \$750,000 and not to exceed \$10 million) may not be redelegated. The authority herein for non-State-funded minor capital improvement projects (total project cost not to exceed \$750,000 and as consistent with the constraints referenced above) may be redelegated.

B. Pilot Phase of the Delegated Process for Capital Improvement Projects ("Delegated Process") Amendments to the Capital Improvement Program for Projects Not to Exceed \$70 million

² Total project cost shall be defined as all costs of the project including administrative, design, construction, interest accrued during construction where applicable, and equipment costs.

³ As used herein, "substantial program modification" to be determined in consultation with my office.

100.4 Duties of the President of the University

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(q)(2) This paragraph shall apply exclusively to capital projects for those campus entities approved by the Committee on Grounds and Buildings for inclusion in the *Pilot Phase of the Delegated Process for Capital Improvement Projects*.

The President is authorized to approve amendments to the Capital Improvement Program for projects not to exceed \$70 million. However, the following shall be approved by the Board: (1) projects with a total cost in excess of \$70 million, (2) capital improvement projects of any construction cost when, in the judgment of the President, a project merits review and approval by The Regents because of special circumstances related to budget matters, external financing, fundraising activities, project design, environmental impacts, community concerns, or substantial program modifications. The President is authorized to approve an increase in project cost as long as the total augmented project cost remains under \$70 million; for augmented projects resulting in a total project cost in excess of \$70 million, the augmented project shall be approved by the Board.

This paragraph shall become inoperative and is repealed on March 31, 2017, unless a later Regents' action, that becomes effective on or before March 31, 2017, deletes or extends the date on which it becomes inoperative and is repealed.

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Chancellors are delegated the authority provided under Standing Order 100.4(q)(2) for projects within their respective jurisdictions to approve amendments to the Capital Improvement Program for qualifying projects with a total project cost up to and including \$70 million. A qualifying project is one that is eligible for, and has been reviewed under the Delegated Process, and has been determined not to require elevation to The Regents for approval.⁴ You may approve budget and/or scope modifications provided: (1) the total project budget when augmented does not exceed \$70 million, and (2) any modification in project cost does not exceed a cumulative augmentation of 25% over the original approved budget, and (3) a scope change does

⁴ Eligibility for the Delegated Process requires that the project demonstrates: consistency with the accepted *Ten-Year Capital Financial Plan*, the accepted *Physical Design Framework* and the approved *Long Range Development Plan*; compliance with CEQA, and all applicable laws, regulations, and University and Regental policies; financial feasibility; and that no special circumstances exist that may merit review by the Regents.

not entail a substantial program modification⁵ in physical characteristics or intended use of a project previously approved under the Delegated Process. Because The Regents desire to be informed of significant budget, scope, or schedule changes for all projects--including delegated projects--campuses are to inform the Office of the President of such changes through procedures developed for early Regental notification for high interest projects.

Chancellors are responsible for ensuring the financial feasibility of their campus's Ten-Year Capital Financial Plans, consistent with the Delegated Process. Changes or updates to those Plans are submitted annually to the office of the Associate Vice President of Capital Asset Strategies & Finance for presentation to and acceptance by The Regents.

For individual projects not identified in the accepted Ten-Year Capital Financial Plan, and with a total project cost under the \$70 million threshold, a campus may seek Regental budget approval for the project

The authority delegated to the Chancellors under Standing Order 100.4(q)(2) may not be further redelegated. The authority delegated herein to the Chancellors shall remain unless a later Regents' action causes Standing Order 100.4(q)(2) to become inoperative or is repealed.

C. Transfer of Funds for Capital Improvement Projects Approved under the Authority Delegated Herein

100.4 Duties of the President of the University

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(o) The President is authorized to approve transfers or allocations of University operating funds and transfers of funds designated for Capital Improvement purposes, subject to any limitations which might be imposed by the terms of said funds, provided:

1. That no such transfer or allocation shall result in the establishment of a new policy, program, or project involving a continuing commitment;
2. That no transfer or allocation shall be made from a reserve fund for a purpose other than that for which the reserve funds was established.

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⁵ As used herein, "substantial program modification" to be determined in consultation with my office.

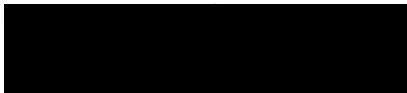
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You are delegated the authority in your respective areas of responsibility to transfer funds to capital improvement projects approved under the authority delegated to you herein. The authority delegated under Standing Order 100.4(o) for non-State-funded minor capital improvement projects (total project cost not to exceed \$750,000), approved by you or your delegee, may be redelegated. The authority delegated under Standing Order 100.4(o) for non-State-funded major capital improvement projects (total project cost over \$750,000) approved by you may not be further redelegated.

D. Reporting

The exercise of the authority per Standing Order 100.4 (q)(1) and (q)(2) shall be in accordance with guidelines established by the Regents and the President, as they may be amended from time to time. These shall include and are not limited to the following reporting and accountability requirements: (a) the *Annual Report on Major Capital Projects Implementation Report*, reporting the adherence to plans and aggregated performance on specific metrics of Regental and Presidential interest; (b) input budget approvals and schedule changes to the capital database; and (c) project close-out capital improvement budgets ("Post-Project CIBs") for projects over \$10 million within sixty (60) days of the filing of the Notice of Completion and a final CIB at the fiscal close of the project.⁶

This delegation supersedes the delegation of March 1, 2013, to the Chancellors, the Director--Lawrence Berkeley National Laboratory, and the Vice President--Agriculture and Natural Resources (DA2574).



Janet Napolitano
President

cc: Division Leaders
Associate Vice President--Capital Asset Strategies & Finance
Director--Capital Planning
Universitywide Policy Office

⁶ Reference: February 28, 2011 letter from VP – Budget and Capital Resources to the Vice Chancellors of Administration, Vice Chancellors for Budget and Planning and Capital Program Leadership Forum Members.