

Capital Projects

Authority This Guide Memo was approved by the Provost.

Applicability This policy applies to all University capital projects.

Summary This Guide Memo describes Stanford University policy on initiating facilities and infrastructure projects under the authority of Land and Buildings, including specific information on the allocation, siting and management of modular buildings, trailers and storage containers on campus. This Guide Memo also addresses University funding of capital projects, including the application of the Stanford Infrastructure Program (SIP) assessment and the General Use Permit (GUP) Entitlement Fee to fund mitigation costs arising from the approval of the December 2000 Community Plan and the General Use Permit.

Section headings are:

1. FACILITIES PROJECT INITIATION
2. MODULAR BUILDINGS AND TRAILERS
3. STORAGE CONTAINERS
4. STANFORD INFRASTRUCTURE PROGRAM (SIP) ASSESSMENT
5. GENERAL USE PERMIT (GUP) ENTITLEMENT FEE
6. FUNDING POLICY
7. SOURCES OF MORE INFORMATION

1. FACILITIES PROJECT INITIATION

- a. **Form 1 Required for Capital Projects** – All requests for academic facilities and infrastructure projects on the Stanford University campus and/or in Stanford off-campus properties are required to be submitted electronically on a Form 1 (http://lbre.stanford.edu/cap_plan/) prior to the project's start. Stanford Management Company's off-campus projects, Hospital projects, and SLAC National Accelerator Laboratory projects do not require a Form 1 unless University funding or facilities are involved. Projects requiring a jurisdictional permit and plan check generally will require a Form 1. Projects requiring only over-the-counter permits may not require a Form 1.

The Form 1 is required for the following, regardless of project size, cost or funding source:

- New construction,
- Renovation,
- Demolitions,
- Interior building changes,
- Projects that affect building exteriors,
- Landscape projects,
- Land use projects,
- Capital Utilities Program (CUP),
- Stanford Infrastructure Projects (SIP), and
- General Use Permit (GUP) projects.

A detailed list of project types requiring a Form 1 is found at http://lbre.stanford.edu/cap_plan/.

The Form 1 request process enables Land and Buildings to:

- Evaluate program scope, justification and priority;
- Assess and confirm the resources that are available (through the Controller's Office);
- Ensure that campus planning, code, architectural and aesthetic considerations are reviewed;
- Ensure that Stanford's Project Delivery Process is followed (see http://lbre.stanford.edu/cap_plan/ for detailed information on the process); and
- Request a PTA (Project/Task/Award) setup in Oracle allowing contracts and expenditures to commence.

- b. **Process** – The Form 1 process is initiated by local facilities representatives before a project begins, is then approved within the School/Department, and is finally submitted electronically on the Land and Buildings website. Detailed approval guidelines, at various project cost levels, are outlined in detail on the Form 1 website.

2. MODULAR BUILDINGS AND TRAILERS

- a. **New Modulares and Trailers** – For reasons of cost effectiveness, sustainability and campus aesthetics, modulares and trailers are generally discouraged as a Stanford University building type. However, there are times when modulares are appropriate for temporary use on campus.
- b. **Process** – Proposals to install new modulares and trailers need to be submitted using Capital Planning's Space Request Form (http://lbre.stanford.edu/cap_plan/) and approved by the Provost. This form is required prior to initiating the Form 1 process, regardless of modular or trailer size, proposed length of use, purpose, cost, location, or source of funding. The cost and installation of new modulares and trailers generally are the responsibility of the local area.

Siting of all modulares and trailers must be approved by the Stanford University Architect/Planning Office (see <http://lbre.stanford.edu/architect/>).

Detailed policies on modular buildings and trailers can be found on the Capital Planning website (http://lbre.stanford.edu/cap_plan/).

3. STORAGE CONTAINERS

- a. **Definition** – Storage containers are freestanding metal boxes used for a variety of stored materials. They are centrally located in the storage container yard and adjacent area on Stockfarm Road. Locating containers in other areas of the campus must be approved in advance by the Stanford University Architect/Planning Office.
- b. **Process** – Proposals for the installation of new containers and moving existing storage containers need to be submitted on Capital Planning's Space Request Form (http://lbre.stanford.edu/cap_plan/) for approval by the Provost. This form is required prior to initiating the Form 1 process, regardless of container size, cost, proposed length of use or source of funding. The cost and installation of new containers is the responsibility of the local area. Units wishing to relinquish or move containers also must inform Capital Planning in advance. The cost and removal of containers is the responsibility of the local area.

Siting of all storage containers must be approved by the Stanford University Architect/Planning Office (see <http://lbre.stanford.edu/architect/>).

Detailed policies on storage containers can be found on the Capital Planning website, (http://lbre.stanford.edu/cap_plan/).

4. STANFORD INFRASTRUCTURE PROGRAM (SIP) ASSESSMENT

The Stanford Infrastructure Program (SIP) consists of projects and programs proposed and developed for the betterment and general support of the University's academic community and its physical plant. The infrastructure system directly supports the academic missions of teaching and research and the overall vitality of the institution. This infrastructure will be developed as necessary to improve public safety and service and to promote conservation in land use and resources.

- a. **Assessment** – A 4.6% Stanford Infrastructure Program assessment is applied to all expenditures within capital projects (including new buildings, renovations, deferred maintenance projects and the Capital Utilities Program), regardless of size, funding or management. No assessments will be taken on SIP-funded or GUP Entitlement Fee funded projects, or software application programs.
- b. **Project Eligibility** – Any academic or auxiliary program may identify a need for a potential SIP project and seek SIP funding by submitting a project request to either the Planning Office (SIP-C) or the Transportation Office (SIP-T) as appropriate. Each request must represent a project that will provide benefits to more than a single campus user, group, or building and each will be evaluated against the following general criteria:
 - Improves the overall quality of the campus environment,
 - Satisfies a particular academic or auxiliary program need,
 - Reduces total capital and operating budget expenses,
 - Fulfills a safety and/or security need,
 - Relates to and supports campus planning objectives,
 - Provides a renewal of a deteriorating infrastructure asset(s),
 - Responds to governmental agency requirements.
- c. **More information** – See the resources listed at the end of this Memo.

5. GENERAL USE PERMIT (GUP) ENTITLEMENT FEE

The GUP Entitlement Fee provides funding for the mitigation of projects and programs (Conditions of Approval) required by Santa Clara County as a result of the December 2000 Community Plan and GUP approval. The projects and programs required include infrastructure and environmental resource studies, a comprehensive water conservation program, transportation demand management, habitat conservation, and consultant monitoring of mitigation compliance. Additionally, GUP Entitlement Fees fund the cost of roadway expansions, new parking, and expanded childcare facilities.

- a. **Assessment** – A General Use Permit (GUP) Entitlement Fee is assessed on increases in School/Department gross square footage regardless of total project value. Housing units are required as a component of the GUP and are thus excluded from the GUP Entitlement Fee.

The entitlement fee structure is based upon the present net value of projected mitigation costs, as described above. The fee will be set on a rolling three-year basis consistent with the Capital Plan and may be revised periodically. The GUP Entitlement Fees for fiscal years 2004, 2005, and 2006 are \$70, \$72, and \$74, respectively.

- b. **Space Audit** – Although increases in School/Department square footage typically result from the construction of a new building, a variety of other factors may impact the square footage calculation to derive net incremental program growth. Any project that results in additional square footage will be subject to a space audit to determine the total amount of growth. The audit will consider a combination of space movements, including, but not limited to, space demolitions, vacated and reassigned space, and inherited space.

All space changes are subject to the approval of the Provost.

6. FUNDING POLICY

All capital projects, regardless of total project budget, must have funding in hand or an approved backstopping plan prior to commencing construction.

- a. **Projects under \$3 million** – Project funding is identified via the Form 1 process and is transferred to an account established by the Controller’s Office. Funding is provided according to the level of project approval.
- b. **Projects over \$3 million** – Capital projects with total value of \$3 million or greater must obtain several levels of approval from the Committee on Land and Buildings of the Board of Trustees. A percentage increment of the total project budget is transferred to the account by the Controller’s Office at each Board-required approval level. Approval levels include Concept, Project, and Construction for building renovations; and Concept/Site, Design, Project, and Construction for new buildings. All projects presented to the Committee on Land and Buildings must have an executed Funding Plan prior to the request for Concept Approval, and an executed Funding Agreement no later than the request for Construction Approval.

Infrastructure programs with program funding identified (e.g., the Capital Utilities Program, Stanford Infrastructure Program, GUP Entitlement Fee program) generally do not need separate funding plans and agreements; however, individual projects exceeding \$3 million may require approval from the Board of Trustees.

The Funding Plan outlines the benchmarked project budget, the planned funding sources, and the estimated amounts from each funding source. Funding Plans are subject to revision if the project experiences significant changes in project scope or budget during the design phase. The Funding Plan addresses the budget responsibility for finance charges during construction, as well as debt servicing or gift backstopping provisions after construction completion. The Funding Plan also addresses restrictions on the use of tax-exempt debt. The Funding Plan stipulates if a project is subject to a GUP Entitlement Fee.

7. SOURCES OF MORE INFORMATION

- Land and Buildings’ website at <http://lbre.stanford.edu/>
- Land and Buildings’ Online Form 1 System at http://lbre.stanford.edu/cap_plan/form_1_system
- Capital Planning website at http://lbre.stanford.edu/cap_plan/, includes Project Delivery Process and Space Request Form
- Administrative Guide Memo 53, Financing of Purchases, <http://adminguide.stanford.edu/53.pdf>.