

**Restructured Higher Education Financial and
Administrative Operations Act
Level III Management Agreement
Procurement & Capital Outlay Authority**

HB2079 - Special Joint General Laws Subcommittee

May 14, 2013

Colette Sheehy

Vice President for Management and Budget

Background on Delegated Authority

- ▶ 2005 - Restructured Higher Education Financial and Administrative Operations Act (HB2866/SB1327)
 - All Institutions
 - Three Levels of Authority
 - Level III – broadest available authority
- ▶ 2006 - Management Agreement (HB1502/SB675) provides local authority with accountability to the Board and Commonwealth.
 - Human Resources
 - Financial Management
 - Information Technology
 - Real Estate
 - Procurement
 - Capital Outlay

Level III Delegated Authority – Procurement

- ▶ Replaced requirements of various statutes, rules, and regulations:
 - Virginia Information Technologies Agency (VITA)
 - Division of Purchases and Supply (DPS)
 - Virginia Public Procurement Act (VPPA)
 - Disposition of surplus property
- ▶ Rules governing procurement based on the VPPA, but tailored to the needs of higher education
- ▶ Added to VPPA List of Exemptions from Competition
 - Services provided by non-profit organizations, private education institutions, speakers and performing artists
 - Membership and association dues
 - Group travel in foreign countries
 - Conference facilities and services
- ▶ Cooperative contracts
- ▶ Streamlined competitive negotiation through RFPs (Requests for Proposals)

Delegated Authority – Procurement

U.Va. Examples of Negotiated Savings through RFPs

- ▶ Negotiated voice infrastructure trunking services contract, resulting in an annual savings of \$393,120.
- ▶ Negotiated contract for fiber optic cable use, resulting in a 20-year life-cycle savings of \$1,940,550.
- ▶ Negotiated property management of the NOVA Center , resulting in savings over \$145,000 over a two-year agreement.
- ▶ Negotiated purchase of minibus, resulting in savings of \$18,000

Delegated Authority – Capital Projects

- ▶ Replaced state Construction and Professional Services Manual (CPSM) with Higher Education Capital Outlay (HECO) Manual
- ▶ Specific authorities granted to Level III institutions:
 - BOV approves all nongeneral fund projects.
 - Review and approve construction documents (e.g., code reviews)
 - Review and approve change orders
 - Issue building permits and certificates of occupancy
- ▶ Construction procurement options/flexibility
 - Construction manager at risk
 - On-demand contractors
 - Design-build

Physical and Life Sciences Building



- ▶ College of Arts and Sciences research and laboratory facility
- ▶ Approved by Board of Visitors in 2007
- ▶ Construction completed in summer 2011
- ▶ Time saved – 24 months
- ▶ Total cost savings – \$19.4 million

