



UNIVERSITY SYSTEM
of MARYLAND

REFRESHER ON PROJECT APPROVALS – September 2022

Board of Regents. The Regents' role is outlined in USM Policy VIII-10.20—Policy on the Capital Budget of the USM. Depending on the program, projects initially require the following approval:

- For the **State Capital Improvement Program (CIP)**, all projects, regardless of fund source and total cost, must be pre-approved by the USM Board of Regents prior to submission to the State via CBIS in June of each calendar year.
- For the **System Funded Construction Program (SFCP)**, projects funded in whole or in part with bonds, SFCP loan, or via public-private partnership—regardless of total cost—as well as projects greater than \$5 million in total cost regardless of fund source, require Regents' approval.

For those projects previously approved, the requirements for a subsequent approval of a change in authorization depends on:

- (1) size of the project and the change;
 - (2) type of funding involved; and
 - (3) individual or body that previously approved the project.
- All changes to projects previously approved as a request for State funding must be approved by the Board of Regents. Unless this is done as part of the annual capital budget process, DBM must be consulted as well.
 - For those projects in the SFCP, the Board must approve changes to projects previously approved by the Board of Regents (either separately or as part of the SFCP capital budget process), or changes to projects previously approved by the Sr. Vice Chancellor for Administration and Finance (SVCAF) that bump the total cost of the project above the \$5 million SVCAF authorization limit.
 - Any changes that require approval of additional debt (e.g., auxiliary bonds) must be approved by the Regents.

A comprehensive set of Capital Budget and Planning resources are readily accessible online at:
<https://www.usmd.edu/usm/adminfinance/capitalplanning>

Board of Public Works. The BPW is comprised of the Governor, the Treasurer, and the Comptroller who are responsible for approving most procurement contracts as well as acquisitions and dispositions of real property, General Obligation Bond funds for projects, tidal wetlands licenses, and procurement policies. The BPW also has the authority to make budget reductions up to 25%.

The BPW meets every two weeks. The USM Agenda for these meetings is prepared based on a schedule that includes deadlines to USM and also deadlines for the submission to BPW (see attached schedule).

The following types of items must be presented to the BPW for its consideration and approval:

- All service contracts and capital improvement contracts exceeding \$1 million require prior BPW approval.
- Any change order to a capital improvement contract, or service contract, which exceeds \$1 million requires prior BPW approval.
- Any option renewal that exceeds \$1 million requires prior BPW approval.
- Any contract funded with General Obligation Bond (GO) funds regardless of dollar amount requires BPW approval. These are typically capital equipment items for new facilities but could also include projects considered maintenance items. DBM has instructed that any contract funded with Bond Premium Funds or PAYGO (General Funds) must be treated as if it were GO Bond funds. Therefore, any contracts utilizing these fund sources must have prior BPW approval.
- All real property acquisitions and dispositions require BPW approval, except for real property acquisitions by gift. (<https://www.usmd.edu/regents/bylaws/SectionVIII/VIII-4.01.pdf>)
- When an institution submits an item for consideration by the BPW, it is the responsibility of the requesting institution to provide the valid fund source for the contract. A resource for determining the fund source and the budget language is the approved capital budget that can be found here:

<https://mgaleg.maryland.gov/Pubs/BudgetFiscal/2022rs-budget-docs-capital-house-appropriations-report.pdf>

In addition, the Maryland General Assembly has provided PAYGO funding for numerous Facility Renewal Projects utilizing PAYGO (General Funds). As indicated previously, PAYGO funded projects must be treated as if they were GO Bond funds and therefore any contracts for a maintenance project requires prior approval by the BPW.

A full list of PAYGO funded projects (FY 2021 to present) can be provided upon request. Please contact Mark Beck (mbeck@usmd.edu) or Cassie Bucko (cbucko@usmd.edu) in the USM Office of Capital Planning for more information.

It is important to please confirm the fund source(s) for your projects before making a decision regarding the need for BPW approval.

The USM's Procurement Policies and Procedures are available online at:
<https://www.usmd.edu/regents/bylaws/SectionVIII/VIII300.pdf>

As part of a recent E&E initiative to review, modernize, and update the USM's Procurement Policies and Procedures, training modules were developed for all procurement staff after the revised policies were finalized and approved by the Board of Regents. The videotaped training sessions along with all of the

training materials are posted online and available in a secure USM staff portal accessible via <https://www.usmd.edu/usm/procurement/>.

The workgroup that was created to update the USM Procurement Policies and Procedures included senior leadership from institutions and procurement experts with decades of experience. The group was charged with ensuring that the policies and procedures met the needs of the institutions, *“while providing for a procurement process of quality and integrity, broad based competition, fair and equal treatment of the business community, increased economy in the procurement process, and uniform procurement procedures. These values promote the purposes of State procurement law, strike a balance between needed institution self-management and the Board of Regents’ responsibility to govern the System.”*

In addition to the review and approval by the Board of Regents, the Maryland General Assembly’s Administrative, Executive and Legislative Review Committee also examined the revised policies.