

DATE: May 17, 2018

SUBJECT: Capital Management Severance
University of Memphis

ACTION RECOMMENDED: Approval

BACKGROUND INFORMATION

Pursuant to Tennessee Code Annotated § 49-8-101(a)(2)(C), the FOCUS Act authorizes the Tennessee Higher Education Commission (THEC) to “solicit and receive requests from state university boards to assume the performance” of data systems, capital project planning and management, and procurement. Furthermore, the law requires THEC to approve or deny the requests for independent management of the designated responsibilities, including capital project planning and management. To this end, THEC developed processes and timelines for assessing institutional capacity in collaboration with the locally governed institutions (LGIs), Tennessee Board of Regents (TBR), and state agencies.

SUMMARY

In a memo dated January 3, 2018, THEC provided details regarding expectations and responsibilities for the second round of capital project severance requests. THEC formally requested LGIs interested in severing by July 1, 2018, to notify THEC of their intention by January 19, 2018. THEC received a request to assume responsibilities for capital management from University of Memphis in a letter from President M. David Rudd dated January 11, 2018.

In order to sever, per the THEC memo January 3, 2018, UM agreed to

- identify the organizational structure, proficiencies, and areas of responsibilities of the facilities management group;
- provide flow charts that detail how key processes are carried out by the institution;
- identify a person to serve as the single source of information related to capital project management for the university;
- demonstrate how the university’s facilities website will provide capital project related documents and information;
- confirm their intent to adopt a standardized Designers’ Manual revised for use by the LGI’s;
- describe process and annual timeline for regular review and updating their database of all University space and facility conditions (PFIS or Physical Facility Inventory and Survey);

- outline the university's plan for access to architects, engineers, and specialty consultants; and
- confirm plans to utilize existing project information tracking software, or implement an independent data management software to track all elements of capital management.

Materials meeting these requirements are attached. (Attachment A)

Additionally, per the memorandum, UM agreed to train personnel, in collaboration with THEC, TBR and the Office of the State Architect (OSA), on performance of all project management duties, as well as to learn and adhere to State Building Commission (SBC) and OSA policies. UM personnel attended monthly training beginning November, 2017. The training was convened by THEC, and included seminars by OSA, TBR, THEC, and the Department of Finance & Administration. Finally, representatives from UM attended and participated in SBC preparatory, staff, and monthly meetings.

Though UM provided items required for severance, and participated in training processes, TBR will continue to manage UM's capital projects approved by the SBC prior to June, 2018. All new UM capital projects presented to the OSA and SBC following severance approvals by THEC and the SBC, will be fully managed by UM.

Further, capital management responsibilities require changes to SBC policies to recognize institutional contract signatories. The OSA plans to recommend appropriate policy changes and attain proper signatory information from UM, should the Commission approve capital severance. Therefore, UM will be able to manage new projects after the SBC approves changes to SBC policy.

Finally, THEC will continue to support UM during the severance transition process with ongoing training and user group resources, software and IT support for capital project information tracking, and support for long range planning initiatives.

RECOMMENDATION

Action for Capital Severance for University of Memphis

Pursuant to Tennessee Code Annotated § 49-8-101(a)(2)(C), THEC staff recommend that the Commission **approve** the request of the Board of Trustees of **University of Memphis** (as indicated by **President M. David Rudd** in a letter dated January 11, 2018) to assume the performance of the **capital project management** function for the university, effective on or after the planned date of the SBC policy revision (June 14, 2018). The Board of Regents will continue to have capital project management responsibilities for existing capital projects that were originally approved by the SBC prior to the SBC severance date.

Attachment A
Capital Management Severance Requirements
University of Memphis

Organizational Structure of the Facilities Management Group

See attached.

Person to Serve as Source of Information Related to Capital Project Management

Phillip Anthony "Tony" Poteet, AICP

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Campus Planning and Design

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<http://www.memphis.edu/cpd/capproj>

University's Facilities Website that Details the Following:

- Capital Budget Information
- Designer's Manual
- Project Tracking Information
- Project Designer Solicitation
- Project Bid List for Contractors
- Lease RFIs and RFPs

UM incorporated all the information above onto their existing website, and the site is ready for full implementation post-severance.

University's Plan for Access to Architects, Engineers, and Specialty Consultants

UM plans to hire consultants for the following areas as soon as permitted:

- Architectural
- MEP
- ADA
- Civil Engineer/Stormwater
- Landscape
- Environmental

Project Management and Facilities Software

UM will continue to use the same system that TBR utilizes for project information tracking (PITS) and the Physical Facilities Inventory and Survey (PFIS).



Capital Projects Management Team Organizational Chart March 27, 2018

