1. PURPOSE

This administrative memorandum describes the procedures to be followed by all institutions governed by the University of Houston System seeking authorization to lease facilities; or to acquire property, to construct new facilities, or to expand or renovate existing academic or auxiliary buildings at a cost of $1,000,000 or more.

2. POLICY

2.1. This administrative memorandum applies to all institutions governed by the University of Houston System including any campus, division, college/school, foundation or other entity requesting authorization to lease facilities; or acquire property, to construct new facilities, or to expand or renovate existing academic or auxiliary buildings at a cost of $1,000,000 or more.

2.2. BOR Policy 55.01.3 outlines the general guidelines to be followed in negotiating, executing, and administering all contracts and related necessary legal documents and instruments not requiring board approval. For the UH Main Campus, all projects regardless of size or cost will be reviewed and managed by Plant Operations-Facilities Management or Facilities Planning and Construction. All projects will be governed by the policies and procedures established by these departments and more information on process and projects can be obtained by following the process outlined in the University of Houston Plant Operations Project Delivery Processes as posted on the UH web site http://www.uh.edu/plantops/projdel/.

2.3. Request for authorization to acquire or lease property, or to construct new facilities, or to expand or renovate existing academic or auxiliary buildings shall include:

- A needs assessment analysis

  Each analysis shall clearly define the purpose of the facility and how it relates to the mission of the institution or entity.
Both degree and non-degree offerings, where applicable, must be consistent with the institution’s role and scope mission statement and must comply with the guidelines for offering academic courses as set forth by the Texas Higher Education Coordinating Board.

b. Evidence of the academic programs ability to meet Southern Association of College and Schools standards.

c. The total initial cost to acquire the capital asset.

d. A five (5) year projected budget for continued operations.

e. Ability to establish a capital renewal fund for all new construction.

2.4. Prior to discussions with client groups, preliminary investigations and discussions must be approved by the dean or director of the division or college, the appropriate Vice President, and the CFO and President of the component in which the project will be located.

2.5. Projects shall be assigned an institutional project ranking in the submitted MP1.

2.6. Projects shall conform to the master plan for the component university campus where the project will be located.

2.7. In addition to the general guidelines listed above, projects that have a fundraising component, including those projects under $1 million, shall provide the following:

a. A funding plan which contains:
   • Proposed specified amounts of institutional funds by category, including HEAF allocation and/or other sources (e.g., bonding).
   • Identified fundraising prospects, gift chart and a fundraising business plan that has been approved by the Associate Vice Chancellor for University Advancement.

b. An approved project scope, description of the facility, and identified naming opportunities.

2.8. All requests contemplated in this policy are required to follow the process outlined in the University of Houston Plant Operations Project Delivery Processes as posted on the UH web site http://www.uh.edu/plantops/projdel.

2.9. This policy is being established to determine the feasibility of projects and their priority in meeting the mission of the University of Houston System and its individual component universities and affiliated entities.
2.10. Courses and program delivery by joint institutions shall be determined by written agreement between participating institutions and approved by the Chancellor.

2.11. Proposals for the establishment of new off-campus centers shall be forwarded to the Board for approval.

2.12. The System-wide Office of Plant Operations shall provide project evaluation services for the administration. These services are to be provided according to guidelines noted in the Project Evaluation Procedures manual.

3. REVIEW AND RESPONSIBILITIES

Responsible Party: Executive Director, Facilities Management

Executive Director, Facilities Planning and Construction

Review: Every three years on or before March 1

4. APPROVAL

Approved: Carl P. Carlucci

Executive Vice Chancellor for Administration and Finance

Renu Khator

Chancellor

Date: September 7, 2011

REVISION LOG

<table>
<thead>
<tr>
<th>Revision Number</th>
<th>Approval Date</th>
<th>Description of Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interim</td>
<td>09/10/2007</td>
<td>Initial interim version. This policy describes the process for gaining approval of a project which cost $1,000,000 or more. The purpose of this MAPP is to provide a process that will fairly assess, justify, and prioritize major projects</td>
</tr>
<tr>
<td>1</td>
<td>01/31/2008</td>
<td>Applied revised SAM template to meet current documentation standards. Updated documentation numbers and revised formatting</td>
</tr>
<tr>
<td>Revision Number</td>
<td>Approval Date</td>
<td>Description of Changes</td>
</tr>
<tr>
<td>-----------------</td>
<td>---------------</td>
<td>------------------------</td>
</tr>
<tr>
<td>2</td>
<td>09/07/2011</td>
<td>Applied revised SAM template and added new Revision Log. The following changes were incorporated as part of Audit Issue #AR2009-22: Revised Section 2.2 and 2.8, including addition of a web site to use for project delivery processes. Removed specified approval parties from Section 2.4. Added Section 2.5.e on the ability to establish a capital renewal fund for all new construction projects. Changed the responsible party from the AVC for Plant Operations to the Executive Directors of Plant Operations</td>
</tr>
</tbody>
</table>