

Iowa State University
Internal Capital Planning Process
November 2007

Planning for capital projects occurs continuously with the goal of having materials ready and approvals secured in sufficient time to submit them to those with the potential to provide resources. Thus, the capital planning process intersects with those processes that:

- establish institutional priorities for state capital fund requests,
- establish priorities for fund raising,
- seek to secure funds from various granting agencies, and
- manage and commit operating funds.

Capital planning includes faculty, staff and administrators from the department/unit that will benefit from the project; planning staff from Facilities, Planning and Management; the Provost and Vice Presidents and/or their staff; and the Capital Projects Advisory Council (CPAC), which is chaired by the President. CPAC membership includes:

President
Provost
Associate Vice President for Budget & Planning
Vice President for Business and Finance
Associate Vice President for Facilities, Planning and Management
Vice President for Student Affairs
Assistant Vice President for Student Affairs
President of the ISU Foundation
Assistant to the President for Budget Planning and Analysis
Assistant to the President/Director of Governmental Relations
Assistant to the President for External Relations and Executive Administration

Capital projects are those projects, both new construction and renovation, whose total budget is \$250,000 or greater. Planning occurs in four phases, which are sequential and yet fluid as well. They are:

- Phase One -- Problem Identification
- Phase Two -- Preliminary Planning
- Phase Three A -- Architectural Feasibility Study
- Phase Three B -- Preliminary Funding Feasibility Study
- Phase Four -- Funding Feasibility Study

Approval from the CPAC is required to move from one phase to the next. Within each phase there is considerable flexibility to gather and assess information, develop preliminary ideas and ultimately prepare a recommendation for submission to the Capital Projects Advisory Council. The process described in the accompanying flowcharts precedes formal review and approval by the Board of Regents, State of Iowa. The entire process from identifying an issue or problem by a department/unit to the final approval

from the CPAC which results in a Board of Regents submission for approval can be as long as a year.

Phase 1 -- Problem Identification

In phase 1, a concept paper is developed that describes the space or facility problem that has been identified. Problems are identified, typically, by the occupants of the space or through a routine inventory of facilities conducted by Facilities, Planning and Management (FP&M). Most of the work in this phase is done at the department level with information provided by FP&M as requested. The concept paper states the nature of the problem in programmatic terms, assesses the adequacy of the existing space and may pose some possible solutions to the problem. Resolving the problem might occur through relocation, renovation, reallocation, or new construction. The dean/director forwards the concept paper to the Provost or Vice President who, if they concur, takes it to the Capital Projects Advisory Council. The CPAC discusses and decides whether preliminary planning should be done to develop a solution to the identified problem.

Phase 2 -- Preliminary Planning

The Planning Group in FP&M takes the lead during this phase in close partnership with the space occupants. The goal is to collect sufficient information about the programmatic needs of the occupants/users, the ability of the current space to meet those needs and the options/alternatives to solving the problem. A report that identifies a limited set of options is prepared and submitted by the department through the dean/director to the Provost/Vice President who presents it to the CPAC with their recommendation about whether to proceed with further study. The CPAC may decide that the project is not a high enough priority to warrant expending more resources and return it to the Provost/Vice President to be returned to the dean/director. The CPAC may also approve the project for further feasibility studies—architectural, preliminary funding or both. At that time the CPAC may limit the number of options that will continue to be investigated.

Phase 3 - Feasibility Studies

Phase 3 has two components. The architectural feasibility study is led by FP&M in close partnership with the space occupants and often the dean or director's office and sometimes the Office of the Provost or a vice-presidential representative. External consultants or internal staff may conduct the feasibility study depending on the size and scope of the proposed project and the time and availability of internal staff. The goal of the architectural feasibility study is to establish the scope of the project and estimate a cost range.

Concurrently with the architectural feasibility study, a preliminary funding feasibility may be done. The purpose of this process is to determine probable funding sources for the project from the range of possibilities: state capital appropriations, donor gifts, general university funds, treasurer's temporary investments, grants, departmental funds, etc. If donor gifts are a possibility the ISU Foundation will conduct a preliminary fundraising feasibility. The dean or director leads other aspects of the preliminary funding feasibility with assistance from others as needed.

Ideally there is significant interplay among the individuals involved in the architectural and preliminary funding feasibility studies with the goal of continuing to inform both groups about the evolving scope and cost of the project and the likelihood of identifying sufficient funding. The results of both sets of analysis are brought together and a report is developed by the dean/director with assistance from others as needed. The report recommends a specific course of action with rationale and is presented to the Provost/Vice President for review. Of particular concern at this point is the alignment of resources and scope. The Provost or Vice President makes a recommendation to the CPAC, which may select one of three options. The project may be removed from further consideration for planning and funding and returned to the Provost/Vice President to be returned to the dean/director. The CPAC may decide more study is needed and direct that the project go back through some of the earlier steps in the planning process. The CPAC may approve the project scope and the cost range estimates and move it to the next phase.

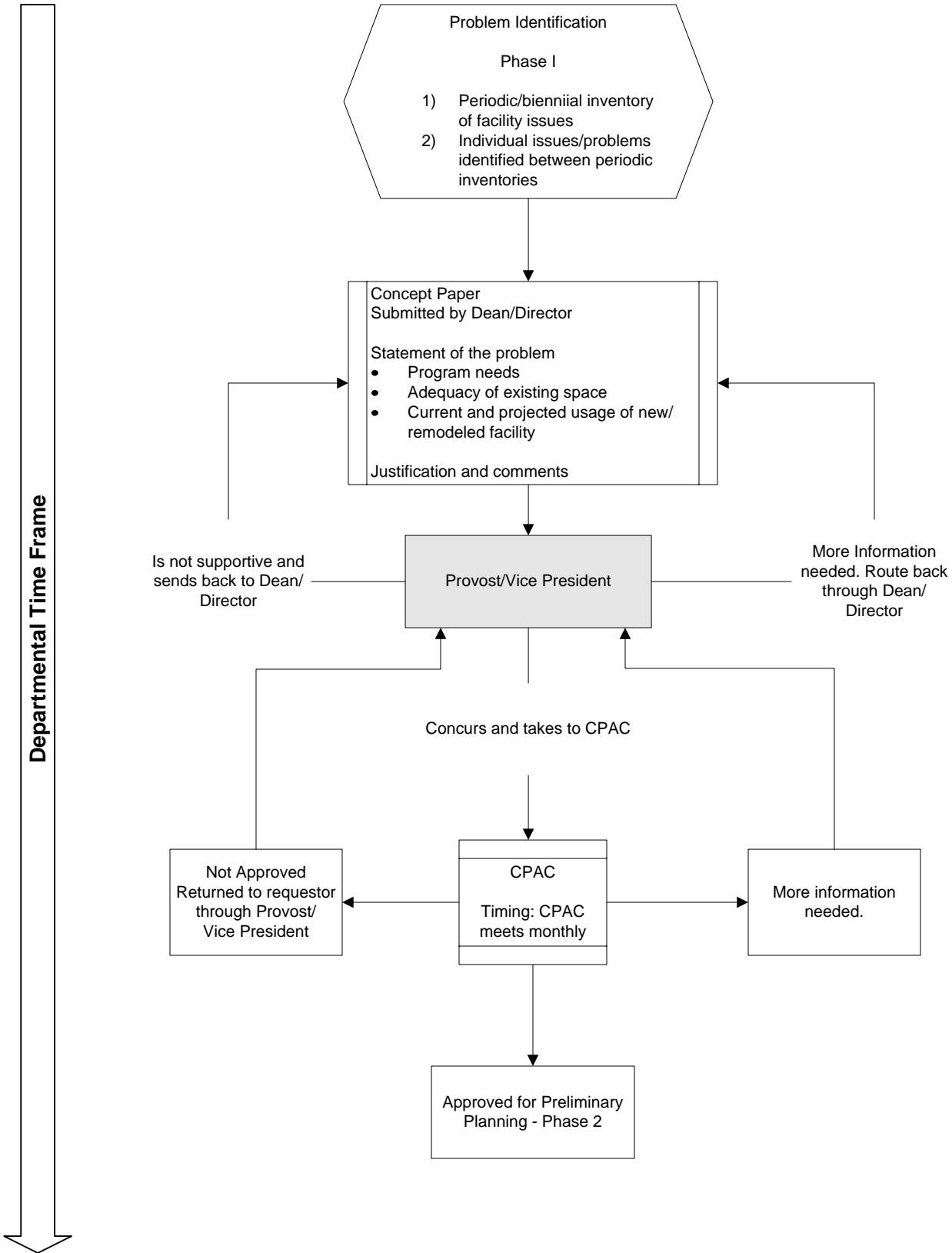
Phase 4 -- Funding Feasibility Study

The purpose of this phase is to gain confidence regarding the potential funding sources identified in phase 3 and determine possible timing for the project. If state capital appropriations will be requested, the project is directed through that process. The ISU Foundation will conduct a fundraising feasibility study if donor gifts are to support the project. The availability of internal funds at the department or central level will be determined by the department chair, dean/director, Provost/Vice President and the CPAC itself for institutional funds. The Provost/Vice President brings the results of that work together and a single report is prepared for the CPAC on the feasibility of funding the project. The CPAC may select one of three options. The project may be removed from further consideration for planning and funding and returned to the Provost/Vice President to be returned to the dean/director. The CPAC may decide more study is needed and direct that the project go back through some of the earlier steps in the planning process. The CPAC may approve the project to proceed and work continues to secure funding and approval at the Board of Regents, State of Iowa.

Iowa State University Internal Capital Planning Process

Phase 1 through Phase 4
takes approximately one year.

PHASE 1



PHASE 2

**Preliminary
Planning**

Collect sufficient information to understand and define the problem.

- Identify basic facility needs.
- Develop projections to meet future needs.
- Evaluate effectiveness of current space.
- Evaluate adaptability of current space for reuse.
- Identify opportunities available to address the problem.
- Develop preliminary recommendations to focus architectural feasibility study.

Draft recommendation report and rationale.

Goal is to identify a limited set of options to solve the problem as identified/defined.

Provost/Vice President
Report to CPAC with
recommendation on whether
to proceed.

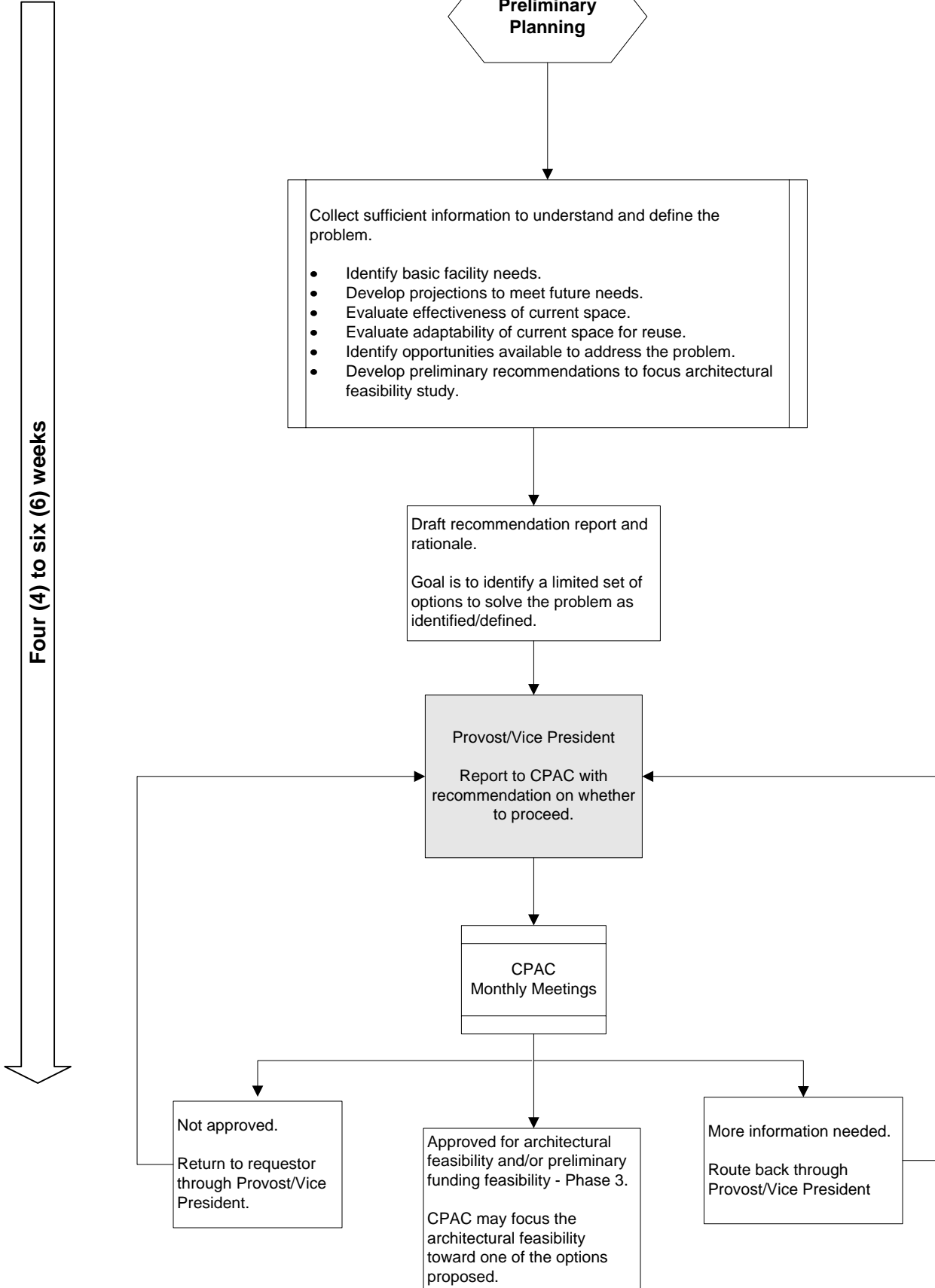
CPAC
Monthly Meetings

Not approved.
Return to requestor
through Provost/Vice
President.

Approved for architectural
feasibility and/or preliminary
funding feasibility - Phase 3.
CPAC may focus the
architectural feasibility
toward one of the options
proposed.

More information needed.
Route back through
Provost/Vice President

Four (4) to six (6) weeks



PHASE 3

Feasibility Studies

Architectural Feasibility
Phase 3a

- Establish a project scope and range of cost
- Confirm preliminary program
 - Review mechanical and electrical systems
 - Review overall building infrastructure
 - Develop Cost information
 - Review site alternatives
 - Analyze & develop alternatives
 - Project expenditure outflows
 - Estimate operating costs

Preliminary Funding Feasibility
Phase 3b

- Determine probable funding sources
- 1) Capital appropriations
 - 2) Donor gifts
 - 3) General university funds/TTI
 - 4) Other
 - Grants
 - Departmental

Are donor gifts a potential funding source?

no

yes

Draft recommendation report and rationale

Conduct preliminary fundraising feasibility:
• Develop list of prospects

Provost/Vice President review

- Align resources and scope
- More work/information needed?
- Decision to recommend? yes/no
- Report to CPAC with recommendation on whether to proceed and rationale

Not approved. Return to requestor through Provost/Vice President

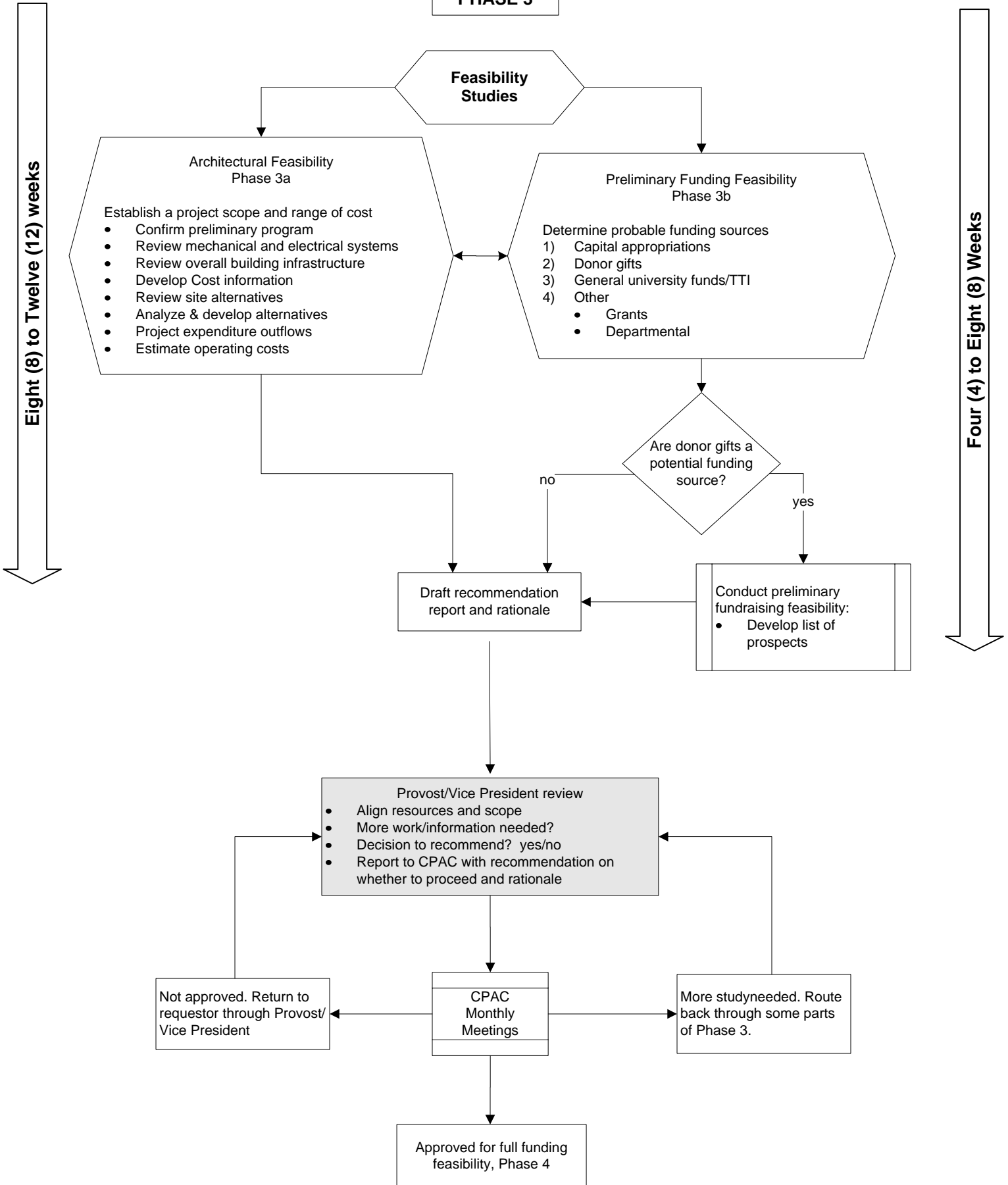
CPAC Monthly Meetings

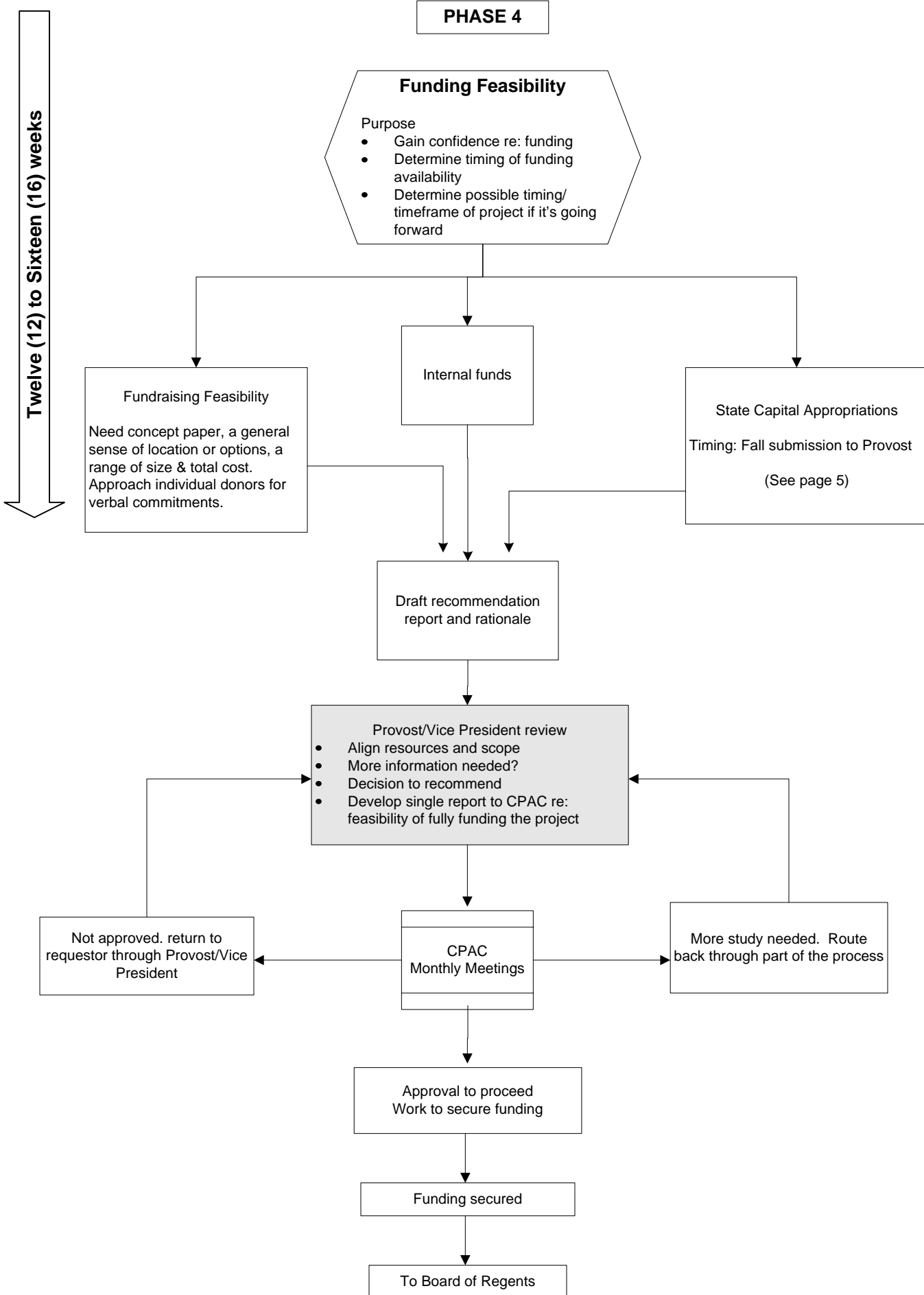
More study needed. Route back through some parts of Phase 3.

Approved for full funding feasibility, Phase 4

Eight (8) to Twelve (12) weeks

Four (4) to Eight (8) Weeks





State Capital Appropriations Request - Academic Units

