

University of Louisiana System

**Title: ALTERNATIVELY
FINANCED CAPITAL
IMPROVEMENT PROJECTS**

Effective Date: May 1, 2008

Cancellation: None

Chapter: Facilities Planning

Policy and Procedures Memorandum

Purpose

The purpose of this policy is to ensure that the process of alternatively financing projects through the issuance of traditional or non-traditional revenue bonds is such that the affected university and the University of Louisiana System will receive optimum value, benefit, and protection. To provide direction and support for the implementation of this policy, System Staff have developed a document entitled Guidelines for Alternately Financed Capital Improvement Projects that contains basic administrative procedures and references for System campuses to follow.

Authority

The University of Louisiana System and its member universities are authorized by La R.S. 17:3361 to execute long term leases outside normal statutory procedural requirements with both non-profit and for profit entities. When such leases incorporate the construction of facilities and financing, it is in the best interests of the System and its member universities to award such leases and construction contracts through a competitive process. If such a competitive process is not appropriate in a particular project, approval to vary from the PPM steps should be obtained from System legal counsel and/or staff at the inception of the project.

Process

The Guidelines For Alternately Financed Capital Improvement Projects document provides the System template for all such projects within this System. The guidelines include basic administrative procedures for the University and the project professionals including for-profit and non-profit entities. Specifically, the guidelines include a process outline for the development, evaluation and approval of alternatively financed projects followed by exhibits containing specific steps, checklists, space standards and examples of documents related to the process. Approval to vary from this process should be obtained from System legal counsel and/or staff at the inception of the project.

Use of these guidelines will ensure the evaluation and selection for professional services and/or design-development firms associated with alternatively financed capital projects is fair and is conducted in accordance with policies, rules and procedures adopted by the Board of Supervisors. The Board of Supervisors and university administration rely on the advice of various professionals in all phases of the project, but remain actively involved in all phases of each project, including project development, design, monitoring, financing, review, etc. Professional services provided and addressed in this PPM include, but are not limited to, bond counsel, underwriter, investment banker, designer, design/build firms. These guidelines are not intended to be all-inclusive. Communication between the University and its non-profit/for-profit, legal counsel and staff of the System is critical for a successful project.

Approving Authorities may include the following:

1. Board of Supervisors for the University of Louisiana System
2. Board of Regents
3. Division of Administration (OCR, FP&C)
4. Joint Legislative Committee on the Budget
5. State Bond Commission

On-going Oversight

The Board of Supervisors' staff and university management continue to review the project status after completion and acceptance of each project. Non-profit affiliated facilities organizations are audited annually, with the audits provided to the UL System Board of Supervisors and the Legislative Auditor. Ongoing reviews include the preparation and review of semi-annual reports comparing actual financial operations to pro-forma information that was developed during the planning and development phases of each project. Such reviews provide timely information on the status of each project, providing management with information needed for managing rental fees and operating expenses.

Policy References:

La. R.S. 17:3361 through 17:3365 (rev. (A)(2) Act 758, 2006 citing FP&C Oversight authority)

La. R.S. 39:366.1 through 39:366.9 (Act 329, 2005 citing approval by DOA and Joint Legislative Committee on the Budget)

Guidelines for Alternatively Financed Projects, December 7, 2007

Board Rules, Chapter C-VI, Section III.B Debt Financing for Capital Projects.

ULS PPM - Semi-annual Financial Reports on Debt Financing Capital Projects.

PPM FB-IV.(4)a: Policy on University Foundations and Other Affiliate Organizations, Attachment 2, Example Affiliation Agreement with Non-profit organizations that assist a university with its capital projects or facilities program

Review in process:

Vice Presidents for Business & Finance
Chief Officers for Facilities Planning and Operations
Legal Counsel

Distribution:

University Presidents
Vice Presidents for Business & Finance
Chief Officers for Facilities Planning and Operations
