USC FPM
Facilities Planning and Management

1. FPM Project and Lease Request and Approval Policy

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2. Policy Purpose

The FPM Project and Lease Request and Approval Policy governs the request, acceptance, and approval of capital design & construction projects and leases submitted to Facilities Planning and Management (FPM), to include senior level review and budget approval.

3. Policy Statement

This policy (and accompanying processes) ensures that requests for capital projects (to include feasibility studies) and leases submitted to FPM are reviewed and processed in a consistent fashion, are properly timed and budgeted, and approved within current University guidelines.   The policy applies to all schools and departments and operates under the oversight of the Vice President and Executive Director for Facilities Planning and Management; it includes the full participation of the Chief Financial Officer, the Office of the Provost, the Senior Vice President for Health Systems, and the Office of General Counsel.

4. Scope and Application

This policy applies to all projects and leases that are submitted by schools and departments to FPM

5. Definitions

Below are some specific terms used in this policy

Term	Definition
CCD	Capital Construction and Development
Capital Project	A long-term, resource-intensive investment project with a purpose to build upon, add to, or improve a capital asset; this is contrasted with a project that is meant to maintain an asset in its current condition
Capital Planning Committee (CPC)	Internal USC committee chaired by the CFO to assess capital planning projects and initiatives and make investment decisions to senior leadership
FAMIS	Facilities Asset Management Information System
REAM	Real Estate and Asset Management
ROM	Rough Order of Magnitude

6. Policy and Procedure Details

1.   **Requests for Capital Projects (to include feasibility studies)**

Purpose/Intent: Provide organized and consistent approach for Design and Construction project request and approval, identifying key expectations for scope, schedule, budget, business case, and funding source(s).

Responsibilities and Process:

1. Customer (School/Department/Unit):
    1. Prepares detailed scope statement, including the intended functions, uses, proposed alterations or new construction, proposed site if project is a new building or structure.
    2. Provides initial expectation for project timeline and completion, including critical deadlines based on grants, donor funding/expectations, or other factors.
    3. Provides initial expectation for total project budget
    4. Provides business case summary.
    5. Provides specific source(s) of funding and the advance approvals for use of any restricted funding sources (one example being use of Provost Reserves).
    6. Makes initial project request in FAMIS.
    7. Completes "Capital Project Request Form" (attachment 7.1) and submits to CCD, including all additional information/attachments that customer expects to be considered in project development.
2. CCD:
    1. Receives and reviews for completeness initial project request in FAMIS and the Capital Project Request Form. Engages with customer to gain additional information as deemed necessary to establish a complete record of project expectations.
    2. Evaluates customer expectations for scope, schedule, and budget, and provides initial analysis including risks, and potential for achieving scope, schedule and budget within the parameters provided by customer.
    3. Proposes feasibility study if necessary to reduce the number of unknowns/risks, providing a more detailed analysis of scope, schedule, budget, and risks.
    4. Prepares initial Rough Order Magnitude (ROM) budget estimate for evaluation.
    5. Prepares documentation/brief for review by Capital Planning Committee.
3. Capital Planning Committee:
    1. Reviews proposed projects within the context of university priorities and overall capital planning.
    2. Approves projects to proceed if no additional approvals required, or to further levels of review/approval, as appropriate (example: Finance & Campus Planning Committee), or requests additional information be provided.

Process Timeline:

1. Approximately 60 days for process to move forward to an initial decision about project.
2. Timeline may vary depending on complexity of project request, need for additional investigation and information, and overall capital planning considerations.
3. **Managing and Accounting for Restricted Funds**

1. Lease User:
    1. Department/Medical Enterprise ("Users") submits Space Request Form ("SRF") and supporting business plan to Dean/SBO for consideration and approval.

2. Once User secures approval of budget and business plan and Dean/SBO signs SRF, user submits SRF with accompanying business plan to Real Estate & Asset Management ("REAM").

2. REAM:
   1. Performs preliminary Lease vs. Own analysis.
   2. Confirms Lease is forecasted on the leader board.
   3. Reviews portfolio to determine if there are alternatives to leasing or consolidation opportunities with other leases; provides feedback to Users and CPC for consideration.
   4. REAM approval:
      1. If the total lease obligation (base rent, anticipated operating expenses and tenant improvements) is less than $1MM, REAM ASVP approves moving forward with next steps in lease process.
      2. If the total lease obligation (base rent, anticipated operating expenses and tenant improvements) exceeds $1MM, REAM submits the SRF and supporting business plan to the Provost's office for review and approval.
   5. If the Provost office approves, REAM advances the lease request (SRF and supporting business plan) to Finance for consideration and approval.
   6. Once either REAM or Provost and Finance approve the lease moving forward, REAM requests third party real estate brokers to complete market survey/analysis of competitive set of potential locations.
   7. REAM reviews/tours lease options with Users, and based upon the tours and input from Users, REAM solicits lease proposals from one to three potential owners/landlords.
   8. Reviews lease metrics with Users, and based upon that review, REAM and Users select potential location to pursue.
   9. REAM and Users space plan the selected location and confirm use capability, and REAM then negotiates Lease economics, terms and conditions.

3. Lease execution:
   1. For total lease obligations less than $1MM, REAM ASVP signs the lease.
   2. For total lease obligations between $1MM and $5MM, SVP Finance and CFO signs the lease.
   3. For total lease obligations exceeding $5MM, a resolution is prepared for Finance and Campus Planning Committee ("FCPC") to review, consider, and approve or disapprove lease. If approved by FCPC, the SVP Finance and CFO signs the lease.

7. Attached Forms

1. Capital project request form
2. Space request form (SRF)

8. Responsibilities

See attached Roles and Responsibilities

9. Contacts

Please direct any questions regarding this policy to:

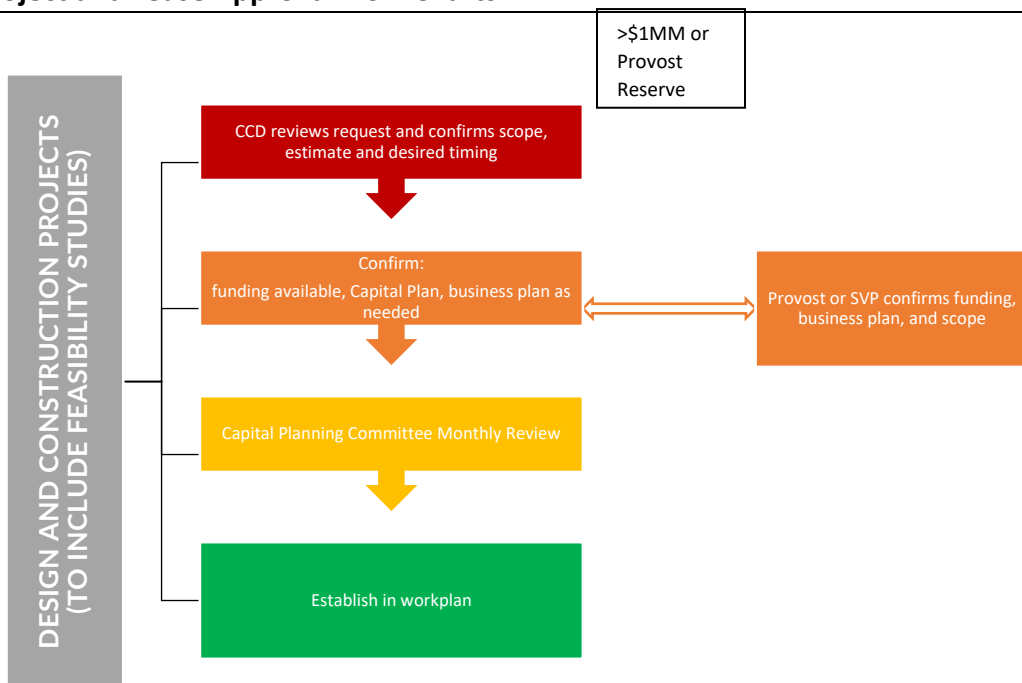| OFFICE	PHONE	EMAIL
VP/ExecDir FPM	213-821-6784	ctoomey@usc.edu

10. Policy URL (under Project & Building Section): https://fpm.usc.edu/my-fpm/

Include links to where the policy is hosted on USC's websites. Include all listed on a school, department, or unit website, the URL to the policy (formatted in PDF) should be provided here.

POLICY GOVERNANCE	
Policy Number:	FPM001
Effective Date:	May 1, 2022
Approval Authority:	Finance
Policy Owner:	Facilities Planning & Management
Responsible Office:	Office of the Comptroller
Supplemental Documents:	Found below: Project & Lease Approval Flow Charts, Capital Project Request Form, Space Request Form, Project & Lease Approval SOP, Roles & Responsibilities

11. Project and Lease Approval Flow Charts

USC FPM
Facilities Planning and Management

>$1MM or Provost Reserve

LEASES

REAM reviews request for justification, estimate, and timing – checks space utilization and alternatives

Confirm:
funding available, Leader Board, business plan

Provost or SVP confirms need, funding, business plan, and scope

Capital Planning Committee Monthly Review

Establish in workplan

ASSET RENEWAL

FMS updates capital plan list with priority and estimate

VP FPM confirms priorities and estimates

Approval with annual capital plan

Establish in workplan

Capital Project Request Form

CAPITAL PROJECT REQUEST FORM
INFORMATION TO BE COMPLETED BY REQUESTING ENTITY
NOTE: To delete any tip (such as this), select it and start typing. To remove entirely, select a tip and press Spacebar to remove it.

1. Project Location *Where the project will take place. Identify campus, building(s), and/or site. Include room numbers of rooms to be altered in a renovation project.*
Identify campus, building(s), and/or site.

2. Customer Information *Project sponsor or stakeholders who will be impacted by this project.*
Full name of University unit(s) making the request: *Identify school, college, department, institute, or academy.*
Identify school, college, department, institute, or academy.

Name & contact information of person making request: *Primary Customer contact including email address, office phone, and mobile phone.*
Primary Customer contact including email address, office phone, & mobile phone.
Name & contact information of person within Customer organization that has decision-making authority regarding scope, schedule, & budget for this project: *Provide name, email address, office phone, and mobile phone.*
Provide name, email address, office phone, & mobile phone.
Name & contact information of person within Customer organization to notify in the event of an emergency: *Provide name, email address, office phone, and mobile phone.*
Provide name, email address, office phone, & mobile phone.

3. Project Scope *Project scope defines the boundaries of a project. Think of the scope as an imaginary box that will enclose all the project elements. It not only defines the work that you want performed (what goes into the box), but also sets limits for what will not be done as part of the project (what is NOT in the box). Scope identifies what will be done, what will not be done, and what the result will look like.*

If the Project is a Building Expansion, identify which building: *Indicate Building &, Floor(s).*   *Building #1, Floors*
Type of project: *Check all applicable boxes.*
☐ Wet Laboratory   ☐ Dry Laboratory
☐ Faculty Office(s)   ☐ Administrative Office(s)
☐ Food Service   ☐ Housing
☐ Student Space (Classroom, Auditorium, Teaching Lab)
☐ Student Support Space (Lounge, Study Area, Group Meeting Rooms, Lockers/Storage)
☐ Clinical
☐ Other *Describe if none of the above apply.*   *Enter description*
Scope Narrative: *Identify the intended physical features and/or modifications to the space(s) comprising the project. Include specific expectations and requirements for the completed project as applicable to the project types above.*
Enter general description or narrative.
Special accreditation requirements: *Identify any certifications, inspections, or licensing required based on the use(s) intended.*
List all applicable requirements
Space Requirements: *Provide specific space requirements, such as a specific amount of assigned square-footage committed by contract to a particular occupant. List all such contractual and non-contractual space commitments you expect to be implemented in the space plan.*
List all applicable requirements
Project Documentation already available: *Check all that apply & include documentation with Project Request Form submission.*
☐ Rendering/Photo   ☐ Diagrams/Sketches   ☐ Space Plans
         ☐ Space Program   ☐ Business Plan/Statement
☐ Other: *Describe if none of the above apply.*
   List documents available

4. Schedule *A project's schedule includes not just the time it takes to modify space or construct a building. There is typically a period for planning and design, followed by approvals from local agencies and from USC Senior Administration. Even after construction is complete, FPM continues to work on completing all project documentation and closing out all financial obligations.*

Completion Date: *Date by which you expect to occupy the completed space(s).*
Click or tap to enter a date.
Describe the factors that necessitate the above completion date and the potential impacts of failing to occupy by the expected date.
Enter description.
Identify any deadlines or due dates required by start dates for new hires, donors, grants, and/or entities outside USC.
Enter deadlines or due dates and explain.
Describe any phased implementation of the project. For example, will parts of the project be occupied incrementally or all at once?

Capital Project Request Form (rev. 04/15/2022)
1

Enter description.

Special Schedule Considerations: *Identify any restrictions in the work hours (can only work between certain hours in order to avoid disruption to on-going academic, research or administrative activities, etc.), special events that will prevent work, etc.*

Enter special considerations.

5. Budget and Funding
A legitimate funding is source is required for FPM to undertake any work, including preliminary investigations and hiring design consultants. Transparency about your project budget expectation is key to FPM providing the appropriate services and completing the work in an expeditious manner.

Total project cost to be managed by FPM *(TOTAL PROJECT COST = Cost for EVERYTHING related to the project, including construction, furniture, equipment, signage, moving expenses, and consultant fees. You will be committing this amount via an Internal Requisition to FPM.):* **$** *Enter amount*

List all work you propose to manage and pay for directly (an example would be packing/moving/storage costs).

How will the project be funded? *Check all that apply & list specific source(s) (by account name/number) for the funding of the project.*

☐ **Operational Funds**   **Account Name** *Enter name*   **Number** *Enter number*

☐ **Donor**   **Account Name** *Enter name*   **Number** *Enter number*

     Amount of donor funding sought: $ *Enter amount*

     Total amount of gifts on hand: $ *Enter amount*

     Total amount of pledges: $ *Enter amount*

     Schedule for receiving pledged amounts: *Indicate amount and due date*

     Amount, Due Date

     Amount, Due Date

     Amount, Due Date

     Add items as needed

☐ **Grant – Already Approved** *Provide copy of grant document(s) that indicate requirements, rules, restrictions on use of funds for design and/or construction costs, etc.*

     Source of grant funding: *Identify institution or agency.*

     Identify source

     Total amount of grant funds that can be applied to design phase of project: *Enter amount*

     $ *Enter amount*

     Total amount of grant funds that can be applied to construction phase of project: *Enter amount*

     $ *Enter amount*

☐ **Grant – Application in process or to be submitted** *Provide copy of grant document(s) that indicate requirements, rules, restrictions on use of funds for design and/or construction costs, etc.*

     Source of grant funding: *Identify institution or agency.*

     Identify source

     Total amount of grant funds that can be applied to design phase of project: *Enter amount*

     $ *Enter amount*

     Total amount of grant funds that can be applied to construction phase of project: *Enter amount*

     $ *Enter amount*

☐ **Provost Reserve**   **Account Name** *Enter name*   **Number** *Enter number*

     Has approval been obtained from the Provost?   ☐ Yes   ☐ No

☐ **Asset Renewal**   **Account Name** *Enter name*   **Number** *Enter number*

☐ **Facilities Infrastructure Fund (FIF)** **Account Name** *Enter name*   **Number** *Enter number*

☐ **Debt**

☐ **Corporate Funding (President or Provost funded)**

☐ **Other** *Describe if none of the above apply.*

     Identify funds

6. Customer Value Assessment
Provide the Customer Value Assessment based on the definitions below. Describe or attach a separate document to explain specifically how the project meets the definition of the Customer Value selected below.

☐ **Urgent:** Project required on a timeline that cannot be deferred, such as a funded grant deadline or schedule commitment to donor in an executed donor agreement, or in order to recruit a faculty member who has already accepted an offer, or a confirmed* business case based on immediate opportunity, and for which no mitigation measures exist.
Supporting information/description of project value.

☐ **Essential:** Project required for execution of confirmed program and/or research commitment with grant funding or confirmed* business case based on opportunity with an extended timeline, and considered critical to the on-going successful operation or accreditation of the program, research and/or business plan.
Supporting information/description of project value.

☐ **Important:** Project required to enhance or expand existing program or research space, including existing program consolidation or growth.
Supporting information/description of project value.

☐ **Discretionary:** Project that can be deferred, possibly creating inconvenience, but with possible mitigation measures and/or deferral not seriously detrimental to confirmed* program, research and/or business plan.

Supporting information/description of project value.

* NOTE: "Confirmed" defined to mean program/research/business plan has been discussed/approved, as appropriate, by Provost (for academic programs) or by appropriate Senior Vice President (as may be delegated) for administrative and athletic programs.

7. **Attachments to Project Request Form** *Thank you for completing the Project Request Form. Please remember to include any documents requested above. Documents in electronic format (PDF, MS Word, or Excel) are preferred, but if you have large format prints, we can arrange to have them picked up from your location.*

List of Customer attachments Included with Project Request Form: *Identify document description and file name.*

Document #1 description and file name

Document #2 description and file name

Document #3 description and file name

Add items as needed

REQUESTOR SIGNATURE *Must be signed by the requesting Department's Director or Authorized Agent*

Enter Name, Title   **DATE**   *Click or tap to enter a date.*

NEXT STEPS

Please email the Project Request Form to *xxxxxx@usc.edu* along with all attachments. You will receive an email confirmation that your submission has been received. FPM staff will review this for completeness and will notify you within five (5) business days if additional information is needed before we can process your Project Request. If the information is complete, you will receive an email identifying the FPM manager assigned to your project.

Thank you for submitting your Project Request.
We look forward to working with you!

Space Request Form

University of California Real Estate and Asset Management **Leased Space Requisition**	USC University of Southern California

DEPARTMENT INFORMATION

Department Name: _____

Contact Name: _____

Title: _____

Phone: _____ Email: _____

SPACE REQUESTED

Square Footage: _____

Desired Configuration: _____
  (# of offices/# of cubicles/# of conference rooms/pantry/classrooms/clinic spaces)

User Group: _____

Purpose/Use: _____
  (i.e., medical, office, classroom)

Reason Space is Required: _____

New/Renewal/Relocation: _____

Date Space Required: _____

Term *(#Years/months)*: _____

Desired Location: _____
  (UPC, HSC, USC Center, Alhambra, etc.)

Parking Requirements: Staff: _____ Visitors: _____

Special requirements: _____
  (Signage, after-hours air, exam room/sinks, expansion needs, etc.)

BUDGET

Maximum Monthly Rent Budget: $_____

Tenant Improvement Budget: $_____

Lease Expense   - Anticipated in current Fiscal Year Budget: Yes / No

　　　　　　　　- To be realigned from another Fiscal Year Budget Category: Yes / No

　　　　　　　　- Requires New Funding from outside of the Fiscal Year Budget: Yes / No

Lease Expense to be covered by Grant? If yes, amount and payment schedule: _____

APPROVALS

By: _____   _____   _____
　　　School/Department/Program Director Name　　　　Signature　　　　　　　Date

By: _____   _____   _____
　　　School/Department/Program Director Name　　　　Signature　　　　　　　Date

Project Approval SOP, Roles and Responsibilities

	Requesting Department - Requestor	FPM - CCD	Capital Planning Committee	FPM – CFA
Primary Role:	*Creation of request and conducts reviews on behalf of requesting department*	*Owner of entire process*	*Executive Oversight and approval of request*	*e-Builder and Workday Interface – Project and Budget Initiation*
Associated Tasks:	Prepares and provides detailed scope, project timeline and completion deadlines, budget expectations, business case summary and funding plan.	Upon receipt of project request and completed CPRF Form, Project Manager is assigned to request and notified via e-Builder.	Reviews proposed projects within the context of university priorities and overall capital planning.	If the Project is **non-board level**, Prepares Request for Capital Project Budget Form and attaches Project Approval, Project Budget Worksheet, signed MOU and Funding Information, if applicable. Form is submitted for executive approval.
	Initiates project request in FAMIS, which create project in e-Builder, in addition to workflow for PM assignment.	Project Manager engages requestor to gather any required additional information and evaluates expectations for scope, schedule and budget, in addition to risk. Develop MOU, obtain customer signatures and obtains confirmation funding. *Must specify on MOU if project is on the Capital Plan already.*	Approves projects to proceed or refers for additional approvals, such as additional Senior Leadership Review or Finance & Campus Planning Committee Review.	If the Project is **board level**, prepares Request for Capital Project Budget Form and attaches Notification of Board approval, approved Board Resolutions, budget worksheet and funding information, if applicable. Form is submitted for executive approval.
	Completes and submits Capital Project Request Form (CPRF) to FPM.	Project Manager proposes feasibility study *if applicable* and provides initial Rough Order of Magnitude (ROM) estimate.		Upon approval of Project Budget Form, Budget is entered to project in e-Builder and pushed to Workday to create project and budget.
	Reviews Memorandum of Understanding and Project Budget Worksheet, signs MOU and obtains Funding Internal Requisition from Requesting Department SBO.	If the estimated Project Values is **$ 1MM or over**, documentation must be submitted to respective SVP/Provost to confirm funding, business plan and scope.		Budget transaction in Workday is reviewed and approved; approval is written back to e-Builder to approve project budget.
		If the estimated Project Values is **$ 500K or over**, FPM/Project Manager prepares documentation for review by Capital Planning Committee.		If an internal requisition is provided by the customer for funding, journal is submitted for non-mandatory transfer in Workday.

Lease Approval SOP, Roles and Responsibilities

	Requesting Department - Requestor	Requesting Department – Dean/SBO	REAM	Provost	Finance	Finance and Campus Planning Committee	Third Party RE Brokers	REAM Finance
Primary Role:	*Creation of request and conducts reviews on behalf of requesting department*	*Executive Oversight and approval of request*	*Facilitation of entire process*	*Executive Oversight and approval of request*	*Executive Oversight and approval of request*	*Executive Oversight and approval of request*	*Service provider and Building Owner representative*	*Workday Interface – Set Up and Payment*
Associated Tasks:	Create and submit Space Request Form (SRF) and supporting business plan to Dean/SBO for approval. Submits to REAM.	Reviews request and business plan, and if approved, signs SRF.	Upon receipt of approved SRF, performs preliminary lease vs. own analysis. Also, performs site consolidation analysis.	Review supporting business plan and approve SRF with total lease obligation that is **more** than $ 1MM.	Review supporting business plan and approve SRF with total lease obligation that is **more** than $ 1MM. Follows approval from Provost.	If the total lease obligation exceeds $5MM, a resolution is prepared for Finance and Campus Planning Committee ("FCPC") to review, consider and approve or disapprove lease.	Completes market survey/analysis of competitive set of potential locations.	Leasing Team notifies Finance team of new lease; providing responsible dept., lease amount, lease term, invoice or agreement, PPGG to charge and agreement.
	Reviews lease options, tours potential sites and selects potential location to pursue with REAM rep.		If SRF total lease obligation is **less** than $ 1MM, REAM ASVP approves to move process forward.		If total lease obligation is $1MM - $5MM, SVP Finance and CFO executes the lease.		Works with REAM representative to coordinate tours.	SBO enters lease information into Leasing Report and Rebilling Schedule.
	Coordinates Space Plans of selected locations with REAM re.		If SRF total lease obligation is **more** than $ 1MM, REAM submits to Provost for approval. If approved by Provost, submits to Finance.		If the total lease obligation exceeds $5MM, and is approved by FCPC, the SVP Finance and CFO executes the lease.		Supports REAM in negotiating lease economics, terms and.	Finance team processes all lease payments 3rd week of the month.
			Upon approval of SRF, requests third party real estate brokers to complete market survey/analysis of competitive set of potential locations.					Finance team reconciles lease payments and rebills departments by the 2nd week of the following month.