

CONSTRUCTION AND RELATED ACTIVITIES POLICY

SCOPE

- I. This **CONSTRUCTION AND RELATED ACTIVITIES POLICY** (referred to herein as the **POLICY**) shall be applicable to the following activities undertaken by the California State University, Fresno Association, Inc. (hereinafter referred to as **ASSOCIATION**):
 1. All original works of construction; and
 2. All renovation, improvement, remodeling, and/or repair activity as to any improvement upon real property, excluding preventative and ordinary maintenance and repair.

DEFINITIONS

- I. For purposes of this **POLICY** the following definitions apply:
 1. The term **ORIGINAL WORK OF CONSTRUCTION** shall refer to all new works of construction;
 2. The term **RENOVATION, IMPROVEMENT, REMODELING, AND/OR REPAIR** shall refer to construction activities upon existing works of construction, but excluding ordinary/regularly recurring maintenance activities;
 3. The term **PRE-CONSTRUCTION ACTIVITY** shall refer to professional services; project/contract management; financial analysis/planning; surveys/assessments/appraisals; permitting/licensure; plans/ designs/ specifications; environmental compliance assessments/reports; execution of financial instruments; and execution of contract commitments;
 4. The term **CONSTRUCTION** shall refer to: site mobilization; erection; and site demobilization;
 5. The term **REAL PROPERTY** shall refer to any right, title, or interest in or to any implicated real property;
 6. The term **CSU** shall refer to The California State University system, an agency of the State of California, acting through its Board of Trustees and/or implicated units thereof including the Office of Physical Planning and Development, the Office of Auxiliary Planning and Bonds, the Office of the General Counsel;

7. The term **CAMPUS** shall refer to the California State University, Fresno, and all implicated units thereof including the Office of the President, the Office of Facilities and Planning, and the Campus Planning Committee;
8. The term **APPROVAL** shall refer to all applicable statutory and non-statutory approval processes including environmental assessment, capital outlay compliance, due diligence, and architectural/master plan compliance;
9. The term **CAPITAL OUTLAY PROJECT** shall refer to any activity identified in a CSU Capital Outlay Program/Capital Improvement Program, or amendment thereto;
10. The term **MAJOR CAPITAL OUTLAY PROJECT** shall mean a capital outlay project whose total cost is \$250,000 or more, regardless of whether funding source is state or non-state;
11. The term **MINOR CAPITAL OUTLAY PROJECT** shall mean a capital outlay project whose total cost is less than \$250,000, regardless of whether funding source is state or non-state;
12. The term **STATE FUNDS** shall refer to California general fund monies;
13. The term **NON-STATE FUNDS** shall refer to monies which are not California general fund monies; and
14. The term **PUBLIC WORKS PROJECT** shall refer to a project where the State of California is a party, state property is involved, or state funds will be expended.

PRE-CONSTRUCTION AND CONSTRUCTION ACTIVITIES

Competitive Award of Contracts

- I. **PRE-CONSTRUCTION** and **CONSTRUCTION** contracts involving a total principal cost of less than Fifty Thousand Dollars (\$50,000) shall be awarded on a competitive basis as follows:
 1. Absent exigent circumstance, or reasonable grounds for sole sourcing, the **ASSOCIATION** shall solicit in writing from at least three (3) vendors/contractors, bids/quotes/proposals, as appropriate, upon specifications supplied by the **ASSOCIATION**;
 2. The contract shall be awarded to the lowest responsible performing bid/quote proposal. No later than ninety (90) days following closing of the time for submission of bids/quotes/proposals all qualified,

participating vendors shall be notified in writing of the disposition of their bid/quote/proposal. The **ASSOCIATION** shall reserve the right to reject all bids/quotes/proposals, and/or substitute vendors/contractors at any time;

3. The **ASSOCIATION** encourages all contractors to make good faith efforts to meet participation goals established under any and all federal/state affirmative action and MWDVE policies/preferences/guidelines;
4. The **ASSOCIATION** supports a drug free workplace and encourages all contractors to make good faith efforts to achieve such goals. The **ASSOCIATION** may request a **Drug Free Workplace Certification** or equivalent document from implicated vendors/contractors;
5. Contracts shall be based upon designs by a licensed engineer or architect, acceptable to the **CSU** Board of Trustees, the Office of the Chancellor, and/or the Board of Directors of the **ASSOCIATION**, as appropriate. All implicated vendors/contractors shall possess all requisite licensure;
6. Contracts shall contain or incorporate suitable general terms and conditions;
7. The **ASSOCIATION** shall not enter any contract containing any of the following language absent prior consent from the General Counsel or Staff Counsel for the **ASSOCIATION**.
 - A. Language indemnifying or holding harmless a part other than the **ASSOCIATION** or the **CSU**;
 - B. Language directly obligating the **CSU**;
 - C. Language requiring that the **ASSOCIATION** make payment in advance;
 - D. Language creating a contingent liability against the State of California; or
 - E. Language requiring the **ASSOCIATION** to provide insurance covering a risk incurred by any other party.
8. The **ASSOCIATION** shall avoid any conflict of interest or the appearance thereof. Prior to entry of any contract, there shall be full disclosure of any implicated financial interest held by interested Board/managerial members as more fully provided in governing documents of

the **ASSOCIATION**; no person or firm preparing contract specifications or a request for bid/quote/proposal shall be eligible to participate in such contract; nor shall any such person be employed for pay by, or realize monetary gain from, any vendor/contractor participating in such contract.

II. **PRE-CONSTRUCTION** or **CONSTRUCTION** contracts involving a total principal cost of Fifty Thousand Dollars (\$50,000) or more shall be awarded on a competitive basis as follows:

1. Absent exigent circumstance, or reasonable grounds for sole sourcing, the **ASSOCIATION** shall prepare a formal request for bid/quote/proposal, as appropriate; make reasonable efforts to circulate such request through a process of advertising on at least a local basis; and solicit, in writing, from at least three (3) vendors/contractors, bids/quotes/proposals, as appropriate;
2. The contract shall be awarded to the lowest responsible performing bid/quote/proposal. No later than ninety (90) days following closing of the time for submission of bids/quotes/proposals all qualified, participating vendors shall be notified in writing of the disposition of their bid/quote/proposal. The **ASSOCIATION** shall reserve the right to reject all bids/quotes/proposals, and/or substitute vendors/contractors at any time;
3. The **ASSOCIATION** encourages all contractors to make good faith efforts to meet participation goals established under any and all federal/state affirmative action and MWDVE policies/preferences/guidelines;
4. The **ASSOCIATION** supports a drug free workplace and encourages all contractors to make good faith efforts to achieve such goals. The **ASSOCIATION** may request a **Drug Free Workplace Certification** or equivalent document from implicated vendors/contractors;
5. Contracts shall be based upon designs by a licensed engineer or architect, acceptable to the **CSU** Board of Trustees, the Office of the Chancellor, and/or the Board of Directors of the **ASSOCIATION**, as appropriate. All implicated vendors/contractors shall possess all requisite licensure;
6. For **MAJOR CAPITAL OUTLAY PROJECTS** all implicated vendors/contractors must be included in the Chancellor's Office approved **Pre-Qualification List**;
7. Contracts shall contain or incorporate suitable general terms and conditions as determined by the **ASSOCIATION** following any appropriate consultation with the **CSU**;

8. The **ASSOCIATION** shall not enter any contract containing any of the following language absent prior consent from the General Counsel or Staff Counsel for the **ASSOCIATION**.
 - A. Language indemnifying or holding harmless a party other than the **ASSOCIATION** or the **CSU**;
 - B. Language directly obligating the **CSU**;
 - C. Language requiring that the **ASSOCIATION** make payment in advance;
 - D. Language creating a contingent liability against the State of California; or
 - E. Language requiring the **ASSOCIATION** to provide insurance covering a risk incurred by the any other party.
9. The **ASSOCIATION** shall avoid any conflict of interest or the appearance thereof. Prior to entry of any contract, there shall be full disclosure of any implicated financial interest held by interested Board/managerial members as more fully provided in governing documents of the **ASSOCIATION**. No person or firm preparing contract specifications or a request for bid/quote/proposal shall be eligible to participate in such contract. Nor shall any such person be employed for pay by, or realize monetary gain from, any vendor/contractor participating in such contract.

CONTRACT APPROVAL PROCESS

- I. Notice to and **APPROVAL** by the Executive Director, **ASSOCIATION** General Counsel or Staff Counsel, and/or the Board of Directors of the **ASSOCIATION** shall be required as follows:
 1. As to contracts involving a total cost of less than One Hundred Thousand Dollars (\$100,000), there shall be notice to and review by **ASSOCIATION** General Counsel or Staff Counsel; and notice to and **APPROVAL** by the Executive Director of the **ASSOCIATION** (subject to any limitations upon signatory authority as the Board of Directors of the **ASSOCIATION** may from time to time provide); and
 2. As to contracts involving a total cost of more than Fifty Thousand Dollars (\$50,000) but less than One Hundred Thousand Dollars (\$100,000), such contracts shall be presented to the Board of Directors of the **ASSOCIATION** as an informational item; and

3. As to contracts involving a total cost of One Hundred Thousand Dollars (\$100,000) or more, there shall be notice to and **APPROVAL** by the Board of Directors of the **ASSOCIATION** in the form of a resolution variously establishing an **ASSOCIATION** account from which such expenditures may be made; the Board of Directors shall remain free to impose such conditions precedent/subsequent to approval as it sees fit.
- II. Notice to and **APPROVAL** by the **CSU** and the **CAMPUS** shall be required as follows:
1. As to contracts involving **ACQUISITION** of any right, title, or interest in state property; and
 2. As to contracts involving **PRE-CONSTRUCTION** or **CONSTRUCTION** activity on state land or in state facilities; and
 3. As to contracts wherein the **CSU** or the State of California is a party; and
 4. As to contracts wherein the purchasing power of the State of California or the **CSU** is utilized; and
 5. As to contracts wherein a **Master Agreement** negotiated by the Department of General Services is utilized; and
 6. As to contracts involving one or more **(MAJOR OR MINOR) CAPITAL OUTLAY PROJECT(S)**; and
 7. As to contracts involving expenditure of **STATE FUNDS** or **NON-STATE FUNDS** in an amount in excess of Fifty Thousand Dollars (\$50,000) but less than Two Hundred Fifty Thousand Dollars (\$250,000). [Notice to **CAMPUS** only.]; and
 8. As to contracts involving expenditure of **STATE FUNDS** or **NON-STATE FUNDS** in an amount of Two Hundred Fifty Thousand Dollars (\$250,000) or more; and
 9. As to contracts involving the California State University, Fresno Student Union, wherein **STATE FUNDS** (or state funded reserves) are expended; and
 10. As to contracts involving application of **NON-STATE FUNDS** where such application is neither approved by the Board of Directors nor reflected in the operative budget; and

11. As to any **CONSTRUCTION** activity necessitating a significant change in an approved budget of the **AUXILIARY** and occurring during the course of the budget year. [Notice to **CAMPUS** only.]

III. Exigent Circumstance(s):

1. Notwithstanding anything else herein, if the Executive Director, following consultation with the **CAMPUS** President and the Chairman of the Board of Directors of the **ASSOCIATION**, in the reasonable exercise of his discretion, determines that exigent circumstance(s) require immediate action, then any and all action reasonably required to meet the exigent circumstance(s) may be undertaken, **provided that:** such action involves an expenditure of no more than One Hundred Thousand Dollars (\$100,000); and the **CSU**, the **CAMPUS**, and/or Board of Directors of the **ASSOCIATION**, as appropriate, is/are so informed at the earliest opportunity.