



Legislative Update on CRM sponsored bills

Governor Brown signed SB502 and AB2726 into law this month. Both bills were sponsored by UC and make modifications to different sections of the Stull Act; they will take effect January 1, 2015.

SB502, the Informal Bid Limit bill, modifies Public Contract Code (PCC) 10504.5 to:

- Raise the threshold for formal competitive bidding on projects from \$100,000 to \$640,000, enabling informal competitively bid projects with values of up to \$640,000;
- Establish prequalification procedures for projects valued between \$300,000 and \$640,000.

Look for announcements on training opportunities, detailed contracts and policy amendments from CRM Construction Services in the coming months.

AB2726, the Real Property bill, modifies:

- PCC 10511 to raise the threshold, at which a sealed bid process to sell surplus property is required, from \$500,000 to \$1,000,000;
- PCC 10512 to allow UC to consider factors in addition to price and terms, such as the bidder's ability to complete transaction when conducting a sealed bid process, to sell surplus property;
- PCC 10513 to exempt sales of property UC has acquired through foreclosure, deed in lieu of foreclosure, or in settlement of a defaulted mortgage, from the sealed bid process.

These amendments are expected to streamline the sale of surplus UC property, and facilitate the sale of property via options to purchase when appropriate.

Vini Bhargava



New Capital Planning Director



Dana Santa Cruz has been appointed as the Director of Capital Planning in CRM. Dana has 25 years of University of California experience, beginning her UC career on the Berkeley campus and following with 9 years at UCOP, as well as being a Berkeley alumna. In the last couple of years, she has been instrumental in re-directing the unit's focus from project types to campus support on all projects. Please join us in congratulating Dana on this much deserved promotion.

Deborah Wylie

Update on UC Merced's 2020 Project

In early September, five CRM staff participated in a VFM (Value for Money Workshop) on the Merced 2020 Project. The 2020 Project proposes to develop the next phase of campus buildings and infrastructure through an availability payment public-private partnership model. The VFM workshop involved identifying project risks, estimating the probability and impacts of those risks, and assessing how these could be mitigated or distributed to the participating parties. The workshop brainstormed ideas, and campus staff and consultants will evaluate the results and incorporate them as appropriate.

Deborah Wylie

UCOP Sustainability Specialist, Rashmi Sahai Selected for National Wildlife Federation Emerging Leader Fellowship

Rashmi Sahai (*bottom row, far left*) joined thirteen young professionals from across the country in a five-day, intensive leadership development workshop in Georgia last month. NWF is America's largest conservation organization. It addresses issues such as air and water pollution, environmental literacy, and climate change, all in pursuit of its mission to protect wildlife and restore wildlife habitat. The workshop is just one aspect of the one-year National Wildlife Federation (NWF) Emerging Leader Fellowship Program. Throughout the year, Rashmi will be serving on NWF's Emerging Leaders Council, writing for NWF's Promise Blog, and applying NWF's leadership support to a UC project. Rashmi's chosen project is an analysis and tracking tool for strategies for achieving President Napolitano's 2025 Carbon Neutrality Goal.

Matt St. Clair



Capital Projects Database

Recent revisions to the Capital Projects Database incorporate more project information and expand the reporting capabilities. Initial data input and verification was a monumental but critical task, and we extend many thanks to the campus teams for their efforts. Improvements will enable views of historical trends in capital project performance, and simplify creation of annual and quarterly reports. We will work with campus staff to identify additional uses for the data to inform planning decisions. We encourage campuses to input project information on an ongoing basis, and will continue to coordinate year-end updates. Access is limited to authorized campus users to maintain data integrity. Campuses can contact [Linneth Cox](#) for information about updating users, and database training.

Carey Barker

New Certificate of Applicable Code for Leases

The Certificate of Applicable Code (UC Seismic Safety Policy Appendix B) has been updated. The Seismic Policy requires that when the University leases, licenses or acquires a property, it must ensure acceptable levels of earthquake safety. On leases, the easiest way to confirm compliance is via the Certificate of Applicable Code. A licensed architect or engineer may complete the certificate verifying the project was built/renovated after the adoption of recent codes and that the facility does not contain specific structural systems prone to damage during an earthquake. The updated certificate does not represent material change, only clarified wording, and now mirrors the version in use by other State agencies: CSU and DGS. Find the new certificate at the end of the Seismic Safety Policy at: <http://policy.ucop.edu/doc/3100156>

Deborah Wylie

Capital Lease Analysis Update

As capital leases are carried on UC's balance sheet and are analogous to debt, it's important to understand how UC determines whether a lease is capital in nature or not. UC accounting conforms to Government Accounting Standards Board (GASB) rules, and follows GASB standards for determining whether a lease is a capital lease. In 2010, GASB issued standards modeled on the original standards in the Financial Standards Accounting Board statement 13 (FASB 13), but without all the modifications and interpretations that FASB had adopted. The four tests for a capital lease are: 1) lease transfers ownership by the end of the lease term; 2) lease contains a bargain purchase option; 3) lease term is $\geq 75\%$ of the economic life of the property; 4) present value of rental $\geq 90\%$ of the fair value of the property.

GASB has not issued any guidance for these leasing standards. Every space lease must be considered under GASB lease classification rules—even space leases for a portion of a property. If any one test is true, the lease is a capital lease. Test 4, the 90% test, should be calculated for a long lease term or a substantial UC tenant improvement investment. A primary difference between GASB's standards and FASB 13 is that no lease is excluded because it is a partial, indivisible portion of a larger asset. See <http://www.ucop.edu/real-estate-services/forms/tools-links/capital-lease-analysis.html> or contact RESG for more information.

Gordon Schanck



CODE CORNER

The Capital Programs Institute (CPI) recently provided trainings in Oakland and Irvine on meeting and beating the new Energy Code (Title 24, Part 6) in the design of new buildings. The training covered HVAC, electrical/lighting, architectural, and cost impacts and strategies. Attendees came from every UC campus and from CSU as well—a total of 96 capital project managers, facilities managers, energy managers, and other professionals attended.

A universal theme ran through the comments and evaluations: a similar training is needed, and soon, for renovations and energy efficiency projects. These trainings are in the planning stages for the end of this year.

Comments from attendees included “Good overviews of emerging technologies,” “I’m starting to know now what I don’t know,” and “Thank you for the opportunity to be part of this pioneering movement for energy sustainability.”

Catherine Kniazewycz

KEY DATES

OCTOBER

9



Understanding and Implementing LEEDv4

UC SAN DIEGO

20-21



Contract Administrator's Workshop

UC DAVIS

NOVEMBER

7



Understanding and Implementing LEEDv4

UC RIVERSIDE

13-14



UC Physical and Environmental Planner's Workshop

INVITE ONLY

18



Uses of the EDPA and Working with the Design Professionals

OAKLAND

19-20

SAN FRANCISCO
MISSION BAY

REGENTS MEETING